Weekend
FINANCIAL TIMES

Weekend FT

Forces of darkness in our cities

SECTION II

Strange - but true - in 1995

Sport's most magical moments

World Business Newspaper

WEEKEND DECEMBER 30/DECEMBER 31 1995

Former Barings executives ordered to appear in court

Six former Barings executives, including former chief executive Peter Norris, have been summoned to appear in a Singapore court to answer questions about the derivatives operation which lost £830m and brought down the UK merchant bank last February. In a separate development Nick Leeson, the trader at the centre of the collapse, said through his lawyers he would not appeal against his 6½ year sentence for "cheating". Page 22; Remarkable comeback, Page 6

Croatia peace force warning: Delays in despatching a force to the last Serb-held part of Croatia could undermine efforts to secure peace in the region, UN special envoy to former Yugoslavia Kofi Annan warned. Page 2

Taiwan bank governor faces impeachment: Taiwanese authorities moved to impeach central bank governor Shen Yuan-dong over his alleged role in a financial scandal which has implicated executives at leading banks. Page 22

Dini 'quit' offer today: Italian premier Lamberto Dini will today submit his resignation to President Oscar Luigi Scalfaro, after his cabinet yesterday approved the last element in the 1996 budget. The president is not expected to accept it. Page 2

Refah reassurance: Turkey's radical Islamic party Refah sought to assure the west it had "no intention of separating Turkey from the west and isolating it". Page 2

Merrill on top: Merrill Lynch, US investment bank, is top bookrunner of international bonds for the second successive year, according to data published by Euromoney Bondware. Page 5

Spain confident on Emu: Spain was on track to meet the criteria for participating in a single European currency even though the government failed to pass its 1996 budget through parliament, economy minister Pedro Solbes said. Page 2

Pressure on Chicago bourses: Chicago's futures exchanges, the world's largest and busiest, have had a gruelling year, with volumes down for the first time since 1991. Page 6

Vacancy remains at Pru: Prudential Corporation, UK's largest institutional investor, has still to find a full-time replacement for investment chief Hugh Jenkins who retires tomorrow. Page 5

Forte, the UK hotels group fighting a hostile £3.3bn ($5bn) bid from Granada, raised its profits forecast by £5m after a strong December. Page 5

Prison move for Mafioso: Sicilian Mafia "boss of bosses" Toto Riina and 14 other Mafia leaders were switched from Palermo jail to northern Italy following the murder of a prison officer.

Grozny death blast: At least one person was killed and about a dozen injured in a powerful bomb blast in the Chechen capital Grozny which was apparently aimed at a local police chief, according to Interfax news agency.

Cricket: England start the last day of the fourth test against South Africa in Port Elizabeth today on 20 without loss, needing another 308 runs to take a 1-0 lead in the series. Their opponents earlier declared on 162 for nine in their second innings.

The Financial Times will not be published on Monday January 1. It will be published again on Tuesday January 2.

Safer start to new year: A Filipino child blows a toy horn to attract customers to a stall in the centre of Manila. The government has suggested similar horns be used in new year celebrations rather than firecrackers, the cause of numerous injuries.

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Tokyo's top finance official quits

Resignation follows criticism of housing loan bail-out

By William Dawkins in Tokyo

Mr Kyosuke Shinozawa, Japan's top financial bureaucrat, yesterday resigned to take responsibility for his ministry's much criticised handling of the country's financial crisis.

His departure, just seven months after becoming vice-minister for finance, is an unprecedented gesture from Japan's most powerful ministry, responsible for budget formation, financial system supervision and exchange rate policy.

The resignation is likely to ease the pressure on his political boss, Mr Masayoshi Takemura, the finance minister, who is fighting to assuage public anger at the government's decision last week to allocate at least Y685bn ($6.7bn) of public money towards liquidating bankrupt housing loan companies.

Mr Shinozawa's self-sacrifice may also be designed to reflect growing pressure from the Liberal Democratic party, the dominant member of the government coalition, to break up the ministry into independent agencies.

He said yesterday he had done no wrong and hoped his departure, to be approved at a cabinet meeting next Friday, would improve morale at the ministry. However, Mr Takemura indicated he did not plan to emulate the bureaucrat's gesture.

"I have a responsibility. My responsibility, which I have to carry out, is to resolve the housing loan problem," he said.

The finance ministry was seen as the architect of Japan's economic policy in the 1980s. However, its reputation has been clouded by financial mishaps and corruption allegations.

In the past year, these included the six-week delay in informing US authorities of a $1.1bn unauthorised trading loss at Daiwa Bank's New York office in September, and revelations of links between officials and a property developer facing fraud charges.

Mr Shinozawa's departure was foreshadowed at last week's housing loan bail-out, when LDP officials warned that they would seek removal of the bureaucrats responsible for the companies' excessive lending. The housing loan companies were established under the ministry's guidance by commercial banks in the 1970s to lend to residential home buyers, but soon became embroiled in property speculation.

Financial analysts did not believe Mr Shinozawa's removal would disrupt the ministry's policy of providing temporary public support for the unstable banking system – in the form of a guarantee for depositors – in preparation for the removal of state interventing in banking by the end of the decade.

"Fortunately, it means almost nothing for the financial

Continued on Page 22

Paribas chief faces probe over Ciments Français

By Andrew Jack in Paris

The chairman of Paribas, the French financial group, has been placed under formal investigation by a magistrate examining allegations of falsified accounting relating to Ciments Français, the French cement group.

Judge Eva Joly, a magistrate based in Paris, wrote to Mr André Lévy-Lang on Thursday to notify him of the move. He is likely to be questioned at some point over the next few days.

The precise nature of her concerns is not known, but they are believed to be linked to suspicions that Paribas was aware of falsified profit figures generated by Ciments Français, which were incorporated into the group's consolidated accounts.

Mr Lévy-Lang joins a growing number of high-profile French business executives placed under investigation by magistrates over the past few months. He is the most recent and most prominent of more than a dozen people placed under investigation as part of the Ciments Français inquiry.

Chairman André Lévy-Lang: likely to be questioned soon

Paribas indirectly had owned a small stake in Ciments Français since 1972, but took majority control with 86 per cent of the shares in early 1991. It sold control a year later in April 1992 to Italcementi, the Italian group, but retained a 20 per cent stake. However, Italcementi carried out an audit during the course of which it discovered a number of concealed acquisitions and transactions totalling FFr2.7bn ($540m) not disclosed in Ciments Français' accounts, as well as falsely inflated profits. A profit in 1991 of FFr401m was later reduced to a loss of FFr118m.

Paribas reduced the price it was demanding by FFr500m to FFr6.1bn as a result of the discoveries. However, its action raised the question whether it was aware of transactions but had not shown them correctly when reporting Ciments Français' figures in its own accounts for 1991.

The group claims that it notified Italcementi and the French authorities as soon as it discovered irregularities, but it had no knowledge of the false accounting before it acquired majority control. It made corresponding adjustments to its 1992 and 1993 accounts. It also states that it

Continued on Page 22
Lex, Page 22

Russian president Boris Yeltsin went for a stroll in the Kremlin grounds yesterday in his first public appearance since his heart attack in October. He promised a decision by February on whether he would seek another term in the June presidential election. Picture: AP

German PC group gives warning of losses

By Paul Taylor

Escom, the German personal computer manufacturer, yesterday became the latest PC vendor to warn of losses in the normally buoyant fourth quarter.

Escom, which retails its own PCs, has grown rapidly to become the second largest PC group in Germany behind Vobis, and one of the largest in Europe.

It blamed an expected DM45m ($31.2m) fourth-quarter loss mainly on weak fourth-quarter sales and the costs of its international expansion.

The announcement was the latest sign of fierce price competition and the battle for market share in the consumer personal computer market. Although a record 65m PCs were sold worldwide this year – many of them headed for the home market – fourth-quarter sales have failed to match up to some companies' over-optimistic forecasts.

Escom, based at Bochum, near Essen, warned that sales were "unsatisfactory in the second half of the year and particularly in the fourth quarter". As a result it said it would have a fourth-quarter loss on sales of Dm2.35bn compared with Dm2.15bn a year earlier. The

Continued on Page 22

FT-SE 100 record as world stocks end year on a high

By Philip Coggan, Markets Editor

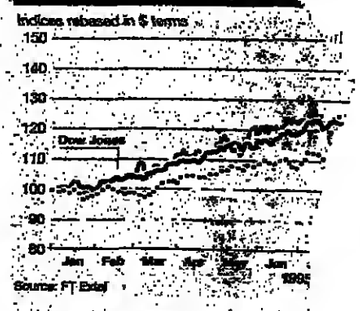
The UK stock market finished yesterday at an all-time high, and the Hong Kong market at its 1995 peak, ending what has been a good year for equities on a suitably upbeat note.

The FT-A World Index rose 16.7 per cent over the year, in dollar terms, as interest rates and bond yields fell in many countries in response to a slowing global economy.

The most remarkable rise was in the US, where the S&P 500 index, which many foreign observers felt was overvalued at the start of the year, climbed another 33 per cent. The Dow Jones Industrial Average surged past the 4,000 and 5,000 levels. At lunchtime yesterday it was up 12.29 at 5,108.09.

But in dollar terms, the US was not the best market. The Swiss stock market climbed by nearly 43 per cent, although a good part of its rise was due to the strength of the Swiss franc, as investors became concerned about the prospects for European monetary union. London, as measured by the FT-SE 100 index which rose 12.6 points yesterday to a new high of 3,689.3, climbed by more than 20 per cent.

1995 markets compared



Japan confounded overseas investors, with the Nikkei falling when the yen was rising and rebounding when the currency fell. Its flat performance in dollar terms over the year would have been hard to match without some clever currency hedging. The real disappointment came from emerging markets which continued to suffer from

Comment, Page 8; Stocks, Page 17; London, Page 19; Markets this week, Section 2, Page 18

STOCK MA

FT-SE 100:	3,689.0	(+12.9)
Yield	3.87	
FT-SE Eurotrack 100	1,490.41	(-1.76)
FT-SE-A All-Share	1,902.56	
Nikkei	19,868.15	
New York lunchtime		
Dow Jones Ind Ave	5,114.2	
S & P Composite		

US LUNCH
Feder
3

LONDON MONE
3-mo interbank
Liffe long gilt

DOLLAR

New York lunchtime:		
DM	1.43715	
FFr	4.90875	
SFr	1.18855	
Y	103.415	
London:		
DM	1.4319	(1.4319)
FFr	4.8865	(4.8865)
SFr	1.1597	(same)
Y	103.155	(102.6)
$ Index	94.0	(93.7)
Tokyo close	Y 102.9	

Spain gives reassurance over Emu

By Tom Burns in Madrid

Spain was still on track to meet the criteria for participation in a single European currency, despite the government's failure to pass its 1996 budget through parliament and general elections in just over two months, Mr Pedro Solbes, economy minister, said yesterday.

Spain's convergence programme was "absolutely guaranteed", the minister said as he presented an emergency budget, along with a package of measures offering sweeteners to voters in the run-up to general elections on March 3.

The emergency budget involved spending cuts of Pta874bn (£4.65bn) aimed at bringing the budget deficit down from a forecast 5.9 per cent of GDP this year to 4.4 per cent at the end of next year.

The cuts, which will mostly affect the employment and social security ministry, were contained in the draft budget rejected by parliament in October. They are to be enacted as a decree law by the government using emergency legislative procedures.

In the pre-election package, the government is proposing a freeze on electricity price rises next year and a 5 per cent cut in registration tax for small and medium-sized cars, a measure Mr Solbes said would reduce government revenue by about Pta30bn.

Mr Felipe González, the prime minister, has also honoured a long-standing undertaking to index pensions to inflation: they will rise at the begining of the year by 3.5 per cent, reflecting the 1996 price rise forecast by the government.

Spain's 7m pensioners will also receive a Pta52bn payout in January to compensate for the difference between real and forecast 1995 inflation.

The combination of welfare spending on the aged and the determination to meet monetary union targets is central to the electoral platform Mr González's Socialist party is likely to put together for the March elections.

Opinion polls give the conservative Popular party a 9 point lead over the Socialists, who have been in power since 1982.

Mr Solbes based his upbeat expectation of a significant budget deficit reduction in 1996 on increased revenue resulting from GDP growth next year which, the minister said, would be similar to the 3 per cent rise which he estimated for 1995.

Mr Solbes said falling interest rates, reduced price rises – which he claimed would level out at 3.5 per cent year-on-year by mid-1996 – and stable exchange rates would expand domestic consumption, which has been depressed throughout this year.

UN envoy warns on troop despatch delays

By Laura Silber in Belgrade

The senior United Nations envoy in former Yugoslavia yesterday warned that delays in despatching a force to the last Serb-held part of Croatia could undermine efforts to secure peace in the region.

Mr Kofi Annan, UN special envoy to former Yugoslavia, also criticised the decision to reduce the number of troops sent to Serb-held eastern Slavonia which, under an agreement brokered last month, will come under Croatian control after a maximum two-year transition.

So far no country has volunteered to contribute troops to the proposed 9,200-strong force. The UN Security Council is now trying to put together a force before the current mandate for 1,500 peacekeepers from Russia and Belgium expires on January 15.

"I think in the end we will get the troops. My problem is the delay," he said, adding "we have focused on Bosnia to the detriment of eastern Slavonia and yet the two are linked."

Major General Jacques Klein, who will be US administrator in eastern Slavonia, yesterday visited Belgrade to meet President Slobodan Milosevic of Serbia. Today he will meet local Croat and Serb leaders but will not take office until the Security Council passes its resolution. Failure to come up with a force has heightened tensions in Croatia. Zagreb launched two offensives this year to seize Serb-held regions of Croatia, prompting 150,000 Serbs to flee.

Mr Mario Nobilo, Croatian ambassador to the UN, warned that "any delay in deploying the new peace forces in Croatia endangers the stability of the wider region and jeopardises the peace process, not only in Croatia, but in neighbouring Bosnia as well," Hina, the Croatian news agency, reported yesterday.

Meanwhile, Admiral Leighton Smith, commander of the Nato operation in Bosnia, yesterday for the first time visited Banja Luka, the biggest Serb town in Bosnia.

US troops are due today to finish building a pontoon bridge over the Rive Sava between Croatia and Bosnia, opening a crucial route for U[illegible] headquarters in Tuzla, nor[illegible] eastern Bosnia.

Diplomats say the 1,[illegible] metre pontoon bridge is [illegible] longest built in Europe s[illegible] the second world war.

■ The longest airlift in [illegible] tion history, the 41-month lifeline to Sarajevo, will next week because roads to city are opening under peace deal, AP reports fr[illegible] Sarajevo.

Port shippers raise glasses to toast a champagne lifestyle

Port wine shippers are raising their glasses this weekend in a toast to 1996, a year they expect to mark one of the industry's most important turning points since the fortified wine from northern Portugal was first exported in the 17th century.

Their festive mood is based on a new law to stop bulk exports, a new structure for regulating the industry to eradicate overproduction, stabilise prices and ease the historic tensions between the farmers who grow the grapes and the shippers who make the wine, blend, bottle and market it, and a marketing drive, to make premium port – currently a very British taste – a sought-after product internationally.

On top of all that, the Port Wine Institute (IVP) is shortly to declare the most recently bottled harvest, 1994, to be a classic vintage – which happens only two or three times a decade.

Bulk shipments, currently 23 per cent of total exports, are to be banned from August – all port will have to be bottled in Portugal, designed to preserve quality by preventing the bottling of cheap blends abroad. Big European retailers are preparing to fight this move, arguing that it breaks European Union rules.

"Port has narrowly escaped the fate of sherry. Our goal now is to match the eminence of champagne," says Mr Paul Symington, a managing partner of Symingtons, the biggest shipping group. Winning new markets for vintage and [illegible] premium ports, whose sales [illegible] are ma[illegible] is seen as the key to success.

Six years ago, shippers fearing excess production and sinking prices would drive port steadily downmarket, deprived the wine of its premium status in the same way that sherry has lost value, resulting in the uprooting of about a third of the vineyards in the Jerez region of south-western Spain.

In a trade that has in its 250-year history provoked riots and strained relations between Britain and Portugal, port's over-production crisis of 1989-90 was among the worst shippers can remember.

In 1989, more than 15m cases of port (a case is nine litres) were produced but less than 9m sold. This is a particularly dangerous imbalance in a sector which carries large and costly stocks determined by "the rule of the third" – a law, partly aimed at ensuring port is sufficiently aged, which limits the amount shippers can sell in a year to one third of their stocks at the end of the previous year.

Even more seriously, production in 1989 and 1990 was about 4m cases more than authorised because of a breakdown in the *beneficio* system of licensing farmers to grow grapes for port [illegible] de Douro [illegible] which represents the farmers. [illegible] distributed licences huge[illegible] excess of the official limit.

Only about half [illegible] of the grapes grown on the steep, terraced vineyards of the Upper Douro valley are used for port, the remainde is made into table wine. As the must (fermented grape juice) used for making port sells for more than three times as much as that for table wine, the award of the *beneficio* is vital to the livelihoods of the *regions 30,000 small farmers*.

The amount of wine produced is determined each [illegible] by the government-appointed IVP, based on sales for [illegible] and the industry's total stocks. But operational control is delegated to CD, which at the [illegible] also owned 40 per cent of a leading shipping company, a stake it has since sold.

Vast overproduction resulted, prices fell and the port trade began to fear for its future. From 1989, prices paid to farmers dropped by more than 20 per cent to a low of Esc110,000 (£475) for a pipe (550 litres) in 1993. Retail chains, benefiting from the glut, cut the price of some own-label ports to below £5 a bottle in the UK, forcing the leading shippers' brands, such as Cockburn's and the Symington group's Dow, to follow.

This threw into reverse the trend towards selling more premium and less cheap port. France, the biggest port market, where the wine is drunk as a low-cost aperitif, imported almost 300,000 litres in 1994, 3.5 times more than the UK.

But UK importers, focusing on quality ports, paid an average of Esc920 a litre, almost double the price paid by the French. Premium port accounts for only 8.6 per cent of global port sales, and the UK drinks 30.5 per cent it.

[illegible] measures were [illegible] In 1992 the shippers [illegible] Esc2.4bn to buy the [illegible] wine on the market and hold it in stock to prevent prices falling further, says Mr António Vasconcelos, managing director of Cockburn's. The *benificio* for the next three years was set well below forecast sales.

The sacrifice paid off. Production fell to about 6m cases in 1991 and 1992 as world sales continued to grow from a level of about 9m cases. They are expected to reach a new record in 1995. Production, stocks and sales are back in balance and prices paid to farmers have risen 24 per cent from the 1993 low to Esc136,000 a pipe.

Coming so close to an irreversible decline has led to a new system for regulating the industry that shippers have been seeking for 50 years. An industry body including farmers, shippers and the IVP will be created by mid-1996 to govern how much wine is produced, how the *beneficio* is distributed and other essential guidelines.

It will be modelled on France's champagne industry, whose skill in marketing and protecting a prestige image is an ideal the port trade hopes to emulate. "In the 1930s a bottle of port fetched a similar price to champagne," says Mr Joaquim Manuel Cálem, chairman of the Cálem group. "That day could come again."

Peter Wise

Turkey's Refah party seeks to allay fears

By John Barham in Ankara

Turkey's radical Islamic party Refah yesterday sought to assure the west that it had "no intention of separating Turkey from the west and isolating it", at the end of a week in which it has argued strongly for its right, as the largest party in parliament, to a leading role in government.

Caretaker prime minister Mrs Tansu Ciller and other secular party leaders have been in talks on a coalition to exclude Refah since last weekend's elections.

But as Refah seeks to argue itself into government, many of its grass roots supporters would prefer that the party kept clear of entanglements with what they see as the old, corrupt political establishment.

Mr Sahri Sungur, 40, an unemployed construction worker, says: "If Refah stays outside the coalition, it will be able to take over at the next election." Mr Ozer Koç, 28, a grocer, says: "I would prefer Refah to remain an opposition party so as not to lose the chance of winning the next election."

Most Turks seem to accept that fresh elections will soon be needed because the outcome of Sunday's poll was indecisive, with Refah taking 158 seats in the 550-member parliament and two centre-right parties – divided by bitter personality clashes between their leaders – about a quarter of the seats each.

Many of Refah's backers think participation in such a coalition government would taint the party's reputation for honesty in a country where ministers are believed to seek office only to line their pockets, and jeopardise its prospects by association with the severe austerity policies an incoming government would need to put the economy back on the rails.

In any case, few of Refah's supporters think conventional politicians will be successful in reorganising the economy – inflation is running at over 80 per cent a year, real wages are falling and unemployment is rife – while the misery caused by emergency economic packages will only strengthen Refah's appeal and its promises of instituting an Islamic "Just Order".

Refah's image has been helped by a year in which it has run Istanbul and Ankara more efficiently and honestly than conventional parties.

> Since the election, secular leaders have been in talks on a coalition to exclude the Islamists

while bitter recriminations between secular politicians involved in convoluted negotiations to form an anti-Refah government seem only to discredit them further.

Mr Veysel Güzel, 42, a worker, says the secular parties should form a government with Refah. "The people of this country voted for Refah. They cannot refuse."

Few Refah voters seem to fear that the party would try to replace the 72-year-old secular order with a theocracy.

One man broke off a card game in an Ankara tea house to say "there is a democratic, secular base in Turkey that they cannot change very much". Another said he might vote for Refah, but "I would not like to live in an Islamic republic. They will not change things that much."

However, the belief that Refah would not attempt to shift the foundations of secular Turkey may be naive.

Its moderation now contrasts with its radical campaign rhetoric. In the campaign Mr Şevki Yilmaz, a Refah MP, stated: "We will take power by the vote. If not, by blood."

A militantly secular university professor says: "Refah should form a government to let people see what it is about and I have no doubt that in six months or a year it would be seen that their ideas are just empty slogans."

Scalfaro poised to reject PM's resignation

By Robert Graham in Rome

Mr Lamberto Dini, the Italian prime minister, will today submit his resignation to President Oscar Luigi Scalfaro, after his cabinet yesterday approved a L5,250bn (£2.1bn) financial package to cover a gap in the 1996 budget.

Since September Mr Dini has said he would regard the limited mandate of his government to be complete once the 1996 budget was out of the way.

President Scalfaro is expected to outline his stance on the future of the 11-month-old government in an address tomorrow. But he has already let it be known he is unlikely to accept Mr Dini's resignation and will ask parliament to debate his future.

Mr Dini refused to be drawn yesterday at a press conference on whether he would stay on as premier, saying that the matter was up to parliament.

However, he has already intimated a willingness to remain premier during the six-month period Italy has the EU presidency, which begins on January 1.

Leaders of parliamentary groups are due to meet early next week to fix a date to debate the future of the government and when general elections should be held.

Mr Silvio Berlusconi, the former prime minister and leader of the right-wing alliance, has indicated he would prefer the debate to begin after January 8.

This would allow time for him to pursue his idea of a broad cross-party coalition to last two years and introduce institutional reforms to modernise the Italian state.

Until now Mr Berlusconi has been at the fore among those pressing for early elections and has been demanding a snap election from the moment he was forced from the premiership last December.

Although those who have met Mr Berlusconi recently say he appears serious about his proposal, few believe it has a chance of working.

The package of additional budgetary measures approved yesterday were in line with expectations.

Of the L5,250bn being sought, L3,800bn is to come from fresh revenues – mainly an extension to 1994 of a tax amnesty – combined with the classic fiscal weapon of raising taxes on alcohol, cigarettes and stamp duties.

The spending cuts totalling L1,450bn have avoided social welfare.

Instead, money will be cut back from funds earmarked for the railways (L370bn) and Sace, the state export credit guarantee organisation (L190bn). Some capital spending will be trimmed.

By holding back from cuts on health and welfare, the government won the backing of the unions, who yesterday endorsed the measures as fair.

This mini-budget is in addition to the 1996 budget which aims to find L32,000bn in new revenues and through spending cuts.

Yesterday Mr Dini claimed Italy's public accounts were at last on the mend and that the 1996 budget targets of reducing the public sector deficit to 5.9 per cent of gross domestic product was realistic.

Glittering kic[illegible]ff for Bulgarian bank

By Theodor Troev in Sofia

Four members of the Bulgarian soccer team which reached the semi-finals in last year's World Cup are at the forefront of a move to harness the wealth of successful Bulgarians in a new national bank.

The four, who are now playing for wealthy west European clubs, are among the star-studded founding shareholders of National Bank, launched this week in Sofia's National Palace of Culture.

Hristo Stoichkov, now with Parma, Atletico Madrid's Lyuboslav Penev, Bayern Munich's Emil Kostadinov, and Rapid Vienna's Trifon Ivanov joined Stefka Kostadinova, twice high jump world [illegible] celebrities such a[illegible] Kolev and televis[illegible] presenter Kameni [illegible] the bank's glitterin[illegible]

They have appeal[illegible] famous and wealthy [illegible] particularly those wh[illegible] money abroad, to inve[illegible] native country. Bulgar[illegible] behind other east Euro[illegible] in attracting foreign in[illegible]

The fame of many of [illegible] founding shareholders i[illegible] a television and promoti[illegible] campaign, bidding to att[illegible] wealthy Bulgarians with [illegible] "Each Bulgarian can be a [illegible] shareholder in National."

The atmosphere of fun an[illegible] [illegible]d local [illegible]dor [illegible]ow [illegible]at [illegible]s. [illegible]eir [illegible]r [illegible]ng [illegible]otries [illegible] [illegible]0 [illegible]ited in [illegible]ess [illegible]logan: counterbalanced by a reassuring figure with financial expertise – Mr Emil Harsev, a former central bank deputy governor, whose consultancy has taken a leading role in the country's privatisation.

The shares of National Bank have been issued on a par value of Lev100 each (£0.90) to attract as many shareholders as possible – no single shareholder is allowed to acquire more than 5 per cent of the bank's voting shares. Directors are expected to be appointed in the spring.

Mr Harsev said 25 per cent of the starting capital of Lev500m needed for a domestic banking licence had been raised. The bank's application to the central bank for a licence is expected to be processed by March.

To underline the message that anyone can join, one poster promoting the bank shows a shareholder whose fame in Bulgaria is as great as any of the World Cup stars – Todor Zhivkov, 84, the former Communist leader who ruled the country for 35 years until he was ousted in 1989.

But Zhivkov was unable to attend the launch of the bank. He has been under house arrest since 1992 when he was sentenced to seven years imprisonment for embezzlement and misappropriation of state property.

Zhivkov received his 101 shares in National Bank at his granddaughter's villa at Boyana, an affluent Sofia suburb.

Hristo Stoichkov is among the stars hoping to attract money from abroad

Azeris coy over statistics [illegible] food of tsars and shahs

The derelict wasteland of Azerbaijan's caviar producing region is in sharp contrast to the smart gourmet shops in the west, where the "black pearls" of the Caspian Sea are sold for £500 a kilo and more.

At Neftchila, 200 km south of Baku where the Kura River meets the Caspian, there are dozens of rusty fishing boats, some of of which will never float again, a sleepy canning factory and tumbledown fish farms. Yet this is the centre of a luxury trade whose value to Azerbaijan is a state secret. Officals will only discuss output and exports in the vaguest of terms.

Caviar is a potentially important hard-curreucy earner for the countries bordering the Caspian Sea, struggling with their post-Soviet economies. Due to over-fishing and pollution, caviar, long associated with tsars, shahs and decadence, has become ever more rare and prized – prices in the west in 1995 were 50 per cent higher than 1994.

Azerbaijan probably produces about 10 per cent of the world's caviar – a total of about 10 tonnes, worth £1m-£2m if it was all exported, rising to £5m-£10m on the shelves of food shops in the west.

Mr Tariel Mamedli, vice-president of Azerbaliq, the state concern for fisheries, says production is "around 10 tonnes per annum over the last two years, half of which is exported, to Germany, Switzerland, Turkey and America".

The authorities justify their reticence by claiming that details of the trade are a "commercial secret" – caviar is a state monopoly in Azerbaijan.

But another factor might be that Russia, Kazhakhstan, Turkmenistan and Azerbaijan have not yet agreed on how to carve up the fishing rights of the Soviet share of the Caspian Sea – Azerbaijan wants 40 km exclusive limit, Russ[illegible] wants 10 km. While the dispu[illegible] goes on, the nations hamm[illegible] out fishing quotas at ann[illegible] ministerial meetings in Ash[illegible] bad, capital of Turkmenist[illegible]

Another possible facto[illegible] Azeri reticence is that muc[illegible] the country's caviar is not through official channels.

The high price of ca[illegible] means some fishermen [illegible] quotas and operate outsi[illegible] Azerbaliq monopoly. In[illegible] tion to this "pirate" cav[illegible] is widely suspected that [illegible] officially-sanctioned p[illegible] tion is sold for private [illegible]

For the 70 years of [illegible] nist rule Azerbaijan [illegible] was sold under the [illegible] [illegible]rized because of the [illegible] its eggs and now [illegible] fetch three [illegible] west is [illegible] shelf [illegible] But [illegible]y's [illegible] of Azerbaliq, is responsible for seeing that the Caspian's sturgeon is fished in accordance with the rules. He produces mounds of gleaming caviar with bread, butter and salt. "I know that I am a patriot, but I truly believe that Azeri caviar is the best in the world."

"We are the historians and [illegible]ntists of caviar," said Mr [illegible]dli. Fish farming and fish [illegible] have long been local [illegible] claims, returning [illegible]g sturgeon to the [illegible]. Caviar is "our [illegible] Mr Mamedli [illegible] Caspian coun[illegible] the resources [illegible]er-fishing, and [illegible]ect the stur[illegible]nt – the num[illegible] the Kura is [illegible] hydro-elec[illegible] block their [illegible]g grounds.

Mr Mamedli insists Azerbaliq is determined to eradicate the threat of caviar pirates.

"We struggle against unofficial fishing," he says, adding that Azerbaijan has always observed the quotas determined by the Caspian nations.

But fishermen can be spotted at all of Baku's markets selling caviar, which Azerbaliq says is illegal but there are no police enforcing the law. "Don't show them the caviar," whispered one to another, when foreigners were seen approaching.

What is clear is that what ever money is being made is not being reinvested in the fish farms and factories of Azerbaijan's caviar industry.

When asked what happens to it, Mr Ilias Panaliyev replies: "They spend the money for different purposes. Maybe to stabilise the exchange rate, for refugees. Maybe."

هكذا من الاصل

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INTERNATIONAL NEWS DIGEST

Waigel issues strict line on Emu discipline

Mr Theo Waigel, the German finance minister, yesterday sought to dispel German fears that the single European currency – to be called the Euro – could be weaker than the D-Mark by stating that members of the planned currency union who failed to meet fiscal targets could be ousted.

He said this would be possible according to "accepted principles of international law," although such expulsions are not foreseen in the Maastricht treaty which lays down rules for the economic and monetary union. *AP, Frankfurt*

Daewoo chief on bribes charge

Daewoo chairman Kim Woo-Choong and an aide of jailed ex-president Roh Tae-Woo have been indicted on charges of bribery in connection with the purchase of aircraft from Spain. The aide, Mr Kim Chong-Whi, was charged with accepting $104,000 (£67,500) in bribes from a US arms dealer when South Korea bought 12 military transport planes from Spain in 1992, prosecutors said.

He was also charged with receiving $65,000 from the Daewoo chairman in the same year in return for government favours to the Daewoo Group, which was supplying the government's military procurement projects. *AFX, Seoul*

German shops expect better year

German retailers expect sales to rise in 1996 but say job losses will continue. Mr Hermann Franzen, president of Germany's retailers association, said yesterday that sales would be boosted by lower energy costs and the introduction of higher tax thresholds for the less well-off.

The more optimistic forecasts for the retail sector follow three years of sluggish growth caused largely by a heavy income tax burden, higher social welfare contributions and the controversial solidarity tax to finance the costs of German reunification. Consumer spending rose by only 0.9 per cent in 1994 and was expected to increase by 1.5 per cent this year. The federal statistics office recently said retail sales for the first 10 months of this year fell a real 2 per cent and a nominal 1 per cent over the same period of the previous year. *Judy Dempsey, Berlin*

Record grain harvest in China

China produced a record grain harvest of 466m tons in 1995, 21m more than last year, the state-run Xinhua News Agency said yesterday. Grain is a sensitive issue in China. The disappointing harvest in 1994 raised concerns overseas that in the next century China would not be able to feed its 1.2bn population, which is growing by 14m a year.

Beijing responded by ordering local governments to make sure all farm land was being tilled, allocating more money for agriculture and encouraging farmers to make better use of technology. *AP, Beijing*

Israeli defence spending to rise

The Israeli Knesset approved the 1996 budget yesterday, which includes a rise in defence spending to cover the cost of redeployment from the West Bank. The Shk172.8bn (£35bn) budget includes Shk27.8bn for defence, Shk225m higher than the treasury's original proposal. Despite calls for slashing the budget, the 1996 outlay, excluding debt servicing, will rise 3.1 per cent in real terms.

The government forecasts 5 per cent growth next year, down from a robust 6.8 per cent estimated for 1995. It has targeted the deficit to be 2.4 per cent of GDP; 1995's target of 2.75 per cent is likely to be exceeded. *Mark Dennis, Jerusalem*

Canada, Chile plan trade deal

Failure by the US Congress to clear the way for Chile's accession to the North American free trade agreement has led Canada and Chile to begin negotiations on a more limited bilateral trade and investment pact.

Mr Roy MacLaren, Canada's trade minister, said yesterday that Canada and Chile "are both committed to the successful negotiation of Chile's accession to Nafta. But since these talks cannot currently proceed as quickly as we all would prefer, we have decided to seek an interim bilateral agreement."

Chile's bid to join Nafta has been stalled by the Republican majority in Congress, which has blocked the Clinton administration's request for "fast-track" negotiating authority. Under the "fast-track" process, Congress would decide on a revised Nafta package without time-consuming amendments.

The Nafta enlargement talks are not expected to be revived before late 1997. *Bernard Simon, Toronto*

Poland to sell copper company

Poland is to float the state copper giant KGHM Polska Miedz next year along with large chemicals and retailing concerns, Mr Wieslaw Kaczmarek, the privatisation minister, said yesterday.

He said 24 per cent of KGHM would be offered in Warsaw and a similar stake on one foreign market. Other candidates for privatisation included Zaklady Celulozowo-Papiernicze Swiecie, the paper company, Zaklady Azotowe Pulawy, the fertiliser plant, white goods maker Polar, non-ferrous metals trader Impexmetal, and possibly the DT Centrum department store chain or the Ruch news-stand chain. A public offering of one of five tobacco companies earmarked for sale next year was possible.

"We want to have public offerings that will diversify the Warsaw stock exchange, which is becoming dominated by financial institutions while several industries are not represented," he said, and added that 1996 should see the beginning of restructuring and consolidation of the oil sector, sugar refining and possibly shipbuilding. *Reuter, Warsaw*

US holds weekend budget talks

White House officials and congressional leaders plan to spend part of the New Year weekend meeting in an attempt to resolve the protracted dispute over the federal budget, following talks due yesterday between President Bill Clinton and leading Republicans Newt Gingrich and Bob Dole.

Both sides are eager to avoid blame for the dispute, which has led to a partial shutdown of the central government and the lay-off of 280,000 federal workers.

Mr Gingrich, House majority leader whose Republican party is bearing the brunt of public blame for the shutdown, says that what divides the two sides is "nothing that you can't solve in about two days". But White House spokesman Mike McCurry struck a more cautious note, saying that the two sides were divided by "substantial, complex issues" which would take time to resolve. *Patti Waldmeir, Washington*

Probe into Russian telecom sale

The fate of the sale of 25 per cent of Russian telecoms holding company Svyazinvest to Italy's state-controlled telecoms group Stet would be examined by lawyers, an official in Moscow said yesterday.

Stet won a tender this month for Svyazinvest – which controls stakes in 85 regional Russian telephone companies – in what would have been Russia's biggest privatisation and inward investment so far. But officials said the deal had fallen through because Stet had not made a payment under the terms of the deal. Stet insists the deal is still on. Ms Susanna Agnelli, Italian foreign minister, this week contacted the Russian ambassador in Rome to try to save the deal.

Meanwhile, an auction of 37 per cent of aero-engine maker Rybinskiye Motory failed to take place as scheduled yesterday. The Russian Federal Property Fund gave no reasons and would not say whether the sale was postponed or cancelled. *Reuter, Moscow*

Argentine Congress urged to speed laws

By Matthew Doman in Buenos Aires

The Argentine government is stepping up pressure on the nation's Congress to approve key economic legislation early in the new year. Legislators failed to vote on two important measures in extraordinary sessions held this week.

Debate on the measures – a presidential request for additional taxing and budget-trimming powers and a bill to advance reform of federal-provincial government relations – was again suspended late on Thursday evening after opposition members of the lower house of Congress withdrew from the chamber. Their walk-out denied the chamber a quorum and pushed consideration of the bills into January.

The government is now insisting that extraordinary congressional sessions be extended as far as February to win approval of the measures it argues are critical to repairing the nation's finances in 1996. Argentina's Congress normally takes a long southern summer recess over the months of December, January and February.

The measure considered to be the most important is President Carlos Menem's request for extraordinary powers to cut expenditure and raise taxes without congressional approval. The government argues that the proposed "superpowers" are necessary to ensure that the 1996 budget is balanced and International Monetary Fund fiscal targets are met.

The second major measure, the ambitiously titled Reform of the State legislation, aims to streamline financial relations between the national government in Buenos Aires and the country's 23 provinces.

The federal government argues that elimination of duplication of services in the two tiers of government could save up to $1.5bn a year but is reluctant to confirm that efficiency measures may see the loss of up to 20,000 state sector jobs.

The congressional backlog was cleared somewhat earlier this week when the upper house of Congress, the Senate, approved the 1996 budget law and a hotly debated measure to increase taxes on tobacco products.

Argentine financial markets have maintained a firm tone in thin holiday-season trade this week, and investors appear content to give Congress some additional leeway to approve the government-sponsored measures.

Economist Raúl Buonnome of ING Barings said the markets were willing to accept that the Senate might not sign-off on the measures until March but had expected lower house approval this week.

Senior official awaiting trial on fraud charges claims a conspiracy of silence

Orange County cover-up alleged

By Christopher Parkes in Los Angeles

Details of a conspiracy of silence – inspired by ignorance, arrogance and fear – have started to emerge in evidence leaked from a probe into the $1.7bn bankruptcy last December of Orange County, California.

In the latest twist, fears of wider personal consequences have been fuelled by allegations of a cover-up – "by people who committed acts... so that they can go free" – from a senior official awaiting trial on fraud charges.

So far, only Mr Robert Citron, the former county treasurer ousted shortly before the cataclysm, has been tried. He was convicted earlier this year on several charges related to securities fraud and is due to be sentenced in February.

More than 20 politicians, lawyers, lobbyists, civil servants – and even an astrologer – suspected or knew of the county investment fund's precarious condition at least a year before the collapse, according to transcripts of Grand Jury hearings leaked to local media.

Junior treasury department employees claimed they were told in late 1993 that they "did not want to know" when they asked how Mr Citron generated such high interest income.

A businessman who repeatedly urged a review of the investment portfolio seven months before its unravelling was allegedly informed it would be politically impossible to trespass on Mr Citron's area of responsibility.

County legal officials told a Grand Jury investigating events that they deliberately hampered requests for financial data from the federal watchdog Securities and Exchange Commission.

The blocking exercise was undertaken in May 1994, when Mr Citron was successfully seeking re-election as county treasurer and while his investment strategy was under public attack from his main competitor for the job.

Senior politicians allegedly implicated in a conspiracy face civil misconduct charges for which the only punishment is loss of office.

Mr Matthew Raabe, a close associate of Mr Citron, who made the latest cover-up allegations and claimed he and Mr Citron had been selected as scapegoats, has pleaded not guilty to fraud charges and is still to be tried.

The only other legal consequences so far are the recent indictment of Mr Ronald Rubino, former budget director, who allegedly "skimmed" interest earnings from the investment accounts of schools and other public agencies integrated into the county pool.

Merrill Lynch, one of the county's investment advisers being sued for negligence, insists in its latest court filing that the county's dilemma resulted from its own and its advisers' "negligent actions".

Officials "precipitously forced the resignation of Citron without a suitable replacement and failed to respond to inquiries of numerous dealers in the days leading up to the bankruptcy filing, causing a crisis of confidence," the court document says.

If the county had adhered to Mr Citron's long-term practice of holding securities until maturity, "the losses would have been essentially wiped out by now," a Merrill spokesman said yesterday.

South Korea riot police stand guard outside the Seoul hospital where former president Chun Doo-Hwan was yesterday given oxygen. He has been on hunger strike since his arrest four weeks ago accused of mutiny over the 1979 coup he masterminded Reuter

Israel hails 'constructive' attitude from Syrians

By Patti Waldmeir in Washington

Israel and Syria yesterday extended negotiations into the weekend as the two sides took cautious steps towards peace in informal talks at a secluded venue where they were able to start to form the sort of personal relationships essential to any peace deal.

Each side sent three negotiators to the talks, held in the elegant ambiance of the Aspen Institute's Wye Plantation conference centre outside Washington.

Mr Uri Savir, director-general of the Israeli foreign ministry and a crucial negotiator of the Israel-Palestinian peace accord, headed the Israeli team. The Syrian chief negotiator is Mr Walid Moualem, ambassador to Washington and a confidant of Syrian president Hafez al-Assad. They were joined by four representatives of the US government, whose presence is viewed by both sides as crucial to mediate a deal. That team is headed by Mr Dennis Ross, state department Middle East co-ordinator.

Convinced secrecy is essential to progress, all parties imposed a news blackout. But an Israeli embassy spokesman in Washington stressed the "positive atmosphere" of the talks.

"Very good personal contacts" were made, with negotiators from both sides holding "a lot of small talks" in the corridors and when they dined together.

Given the intense distrust which exists between Israel and Syria any improvement in the atmosphere must be progress. And Israeli sources noted a new, more constructive attitude from the Syrians.

Analysts point out that the intentions of President Assad are notoriously difficult to decipher, as he seldom travels to the west and runs a closed and secretive government.

But they believe he may have concluded that the time is now ripe for peace.

The assassination of Israeli prime minister Yitzhak Rabin has highlighted the strength of the anti-peace movement in Israel, which may persuade Mr Assad that his best interests lie in making a deal with the current Israeli government rather than having to deal with a future, potentially more hostile one.

Mr Assad is also keen to remove Syria from the list of countries denied certain economic benefits from the US because of their alleged support for terrorism.

Indonesia in move to widen currency band

By Greg Earl in Jakarta

Indonesia's central bank has taken another step towards liberalising the country's currency by widening the band within which the rupiah will be freely traded.

At the same time, Bank Indonesia has issued a regulation allowing commercial banks to trade in derivatives despite some controversial losses by Indonesian companies in such trading this year.

The currency change continues a process begun last year under which Bank Indonesia appears to be moving from a policy of managed depreciation of the rupiah towards a freer floating currency.

Under the latest change, the currency will trade within a 3 per cent range, up from 2 per cent, of about 66 rupiah around an announced mid-rate, set by Bank Indonesia against an undisclosed basket of currencies.

In another change, the bank has introduced a 2 per cent trading band effectively within the 3 per cent band for its transaction rate for the US dollar.

The central point for this band will be set each day after consultations with private banks.

Other currency conversion rates are then calculated based on the US dollar cross-rate.

Bank Indonesia director Mr Paul Sutopo said the country was committed to the "managed floating" policy under which the currency is depreciated by about 4 per cent a year to maintain export competitiveness.

But economists say the wider trading band helps monetary policy by transferring more risk to the market and thus discouraging short-term speculative capital flows.

With Indonesia experiencing rapid expansion in its current account deficit, there have been calls for a faster depreciation, but some economic commentators want a firmer exchange rate to cool inflation while other measures are adopted to improve exports.

Under the derivatives rules, banks will be free to trade in foreign exchange and interest rate derivatives, but will require special permission from Bank Indonesia to trade equity derivatives.

Mr Sutopo conceded that the new rules could expose the troubled Indonesian banking system to new risks but said they would provide important benefits to the banks.

A Bank Indonesia official said the rules had been introduced following a long examination of banking practices in other Asian countries.

Under the new rules, losses from derivatives should not exceed 10 per cent of a bank's capital and all transactions should be approved by the board of directors.

Earlier this year several Indonesian companies incurred significant derivatives trading losses which some analysts said raised questions about the level of expertise in Indonesia to handle complex derivatives products.

The new derivatives rules apply from yesterday, and the rupiah arrangements start next Tuesday.

Vietnam rediscovers banking

After years of keeping dollars under the mattress, Vietnamese are learning to trust financial institutions again, writes **Jeremy Grant**

Every morning in central Ho Chi Minh City, queues form under the huge glass atrium of what was once the French colonial Banque Française de L'Asie, but is now the state-owned Vietcombank.

The depositors waiting patiently with passbooks and small bundles of cash may not know it, but they are taking part in a minor revolution. After decades of suspicion, Vietnamese in this southern industrial city are starting to trust banks with their money.

Banks like Vietcombank are polishing their images, taking out advertisements in local newspapers and offering basic banking products for the first time. They are keen to profit from an increasingly affluent 6m people in Ho Chi Minh City, formerly Saigon, with an average income per head of $610 (£526) a month and rising fast.

The government is as pleased as the banks at the new-found trust in the banking system. It is struggling to mobilise capital for public investment at a time when aid and foreign investment disbursements are slow. It is also likely to soothe World Bank concerns that the country's domestic savings rate, by east Asian standards, is still a relatively low 17 per cent of gross domestic product – in China, the rate is around 35 per cent.

"For the first time ever, the customer is being wooed by retail banks, and the banks are beginning to develop a range of products," said Mr John Brinsden of Standard Chartered Bank.

It was not always this way. Many in Ho Chi Minh City have painful memories of the communist takeover in 1975. Savings evaporated as banks, including branches of US banks such as Chase Manhattan, Bank of America and Citibank, were taken over by the government.

The fear of banks prompted a rush to hoard gold, which is still used for many property transactions. Foreign currencies were stored at home, as the lack of confidence in the Vietnamese currency, the dong, matched that in the banking system.

The World Bank has repeatedly urged Hanoi to find ways of channelling idle money into the banking system to boost lending. Vietnam must find funds to finance a public investment programme that is estimated to grow to 8.7 per cent of gross domestic product by the year 2000 from 6.9 per cent in 1994.

Banks in Ho Chi Minh City have been more aggressive than those in Hanoi in courting customers, offering credit cards and cheque books. In one corner of the Vietcombank lobby is an experimental automated teller machine.

Foreign bankers say the change in attitude is rooted in increased competition between the banks and in three years of currency stability, which has restored faith in the dong.

However, the banks have also been helped by the collapse of an underground financial system called "credit circles". These are local networks of citizens who each put up a set amount of principal and then are given, in turn, the use of the total raised.

Stung by losses, thousands of depositors lost confidence in the credit circles, prompting the central bank to re-organise what was left of the system into a more formal network of co-operative banks.

> Vietcombank – slogan: 'Always For Your Everlasting Success' – is being transformed from faceless monolith to customer-friendly lender

This came as the government was liberalising the banking system by encouraging the establishment of joint stock, or shareholding banks, as part of economic reforms known as *doi moi*.

There are 26 Vietnamese state and joint stock banks but many more smaller, shareholding banks in Ho Chi Minh City. The major shareholders in joint stock banks are often state-run companies.

Vietcombank – marketing slogan: "Always For Your Everlasting Success" – started its transformation from faceless monolith to customer-friendly lender by launching new products in January. Among them are local currency deposit accounts paying 20 per cent interest – inflation is 15 per cent a year.

Mr Truong Van Phuoc, the bank's deputy director, said that savings accounts netted about $50m in deposits in the first 10 months of this year. "It's crazy for people to put money under the pillow. We don't have a stock exchange yet but domestic investors can still choose between competitive savings rates at the banks," he said.

Another bank official said the bank was signing up 60 new accounts a day, with opening deposits averaging 100,000 dong (£5.90).

Two streets away, similar scenes are in evidence at First Commercial Bank (Ficombank), a shareholding bank typical of about 30 that have sprouted in the city in the last three years. Ficombank has three branches serving about 7,500 depositors.

"The banking system is spreading more widely and it's getting more convenient for would-be customers to deposit money," said Mr Nguyen Khai Tuan, whose Ficombank business card describes him simply as "The Chief".

Foreign bankers say that the government must take action to encourage the development of a banking culture in Hanoi, the capital in the north, which has been slower to drop old communist doubts about the role of banks and the sanctity of the bank account.

OBITUARY

DONALD VAN DEN AKKER
born New York, May 14, 1958;
died Cobham, Surrey, December 23, 1995

It is with much regret that we have to announce the death of Donald van den Akker, who, after working for many years in The Hague Office of Ernst & Whinney Nederland, Zeven en Timmers - Ernst & Whinney and Moret Ernst & Young, took over the Dutch Tax Desk in the London Office of Ernst & Young.

He was a true professional, whose personal qualities enabled him to provide outstanding service to clients across national borders, and he will be sorely missed by all who knew him.

Our deepest sympathy is extended to his wife, Beppie, and their children.

Moret Ernst & Young, The Hague
Ernst & Young, London

Annual quaint tradition of titles sees spy chief named a Dame Commander of the Order of the Bath

Honours scorned as rewards for Tory backers

By George Parker and Stewart Dalby

The attempt by Mr John Major, the prime minister, to turn the traditional New Year honours list into a celebration of the ordinary Briton was branded a "sham" by the opposition Labour party yesterday. It protested after a number of business donors to the governing Conservative party received knighthoods. Among them is Mr Graham Kirkham, who made the party a $4m ($6.2m) bridging loan last January. His award cites his "charitable services to the Duke of Edinburgh's Award and to the Animal Health Trust". The award scheme headed by the duke, the Queen's husband, enables young people to undertake adventure projects.

Mr Kirkham, creator of the DFS furniture empire, was among more than 1,000 people to receive awards. They include an array of titles from lordships through knighthoods to the more grandiose-sounding but also more obscure MBE (Member of the Most Excellent Order of the British Empire). Men awarded knighthoods are entitled to place the honorific Sir before their names.

Aides to Mr Major said Mr Kirkham's name was put forward for his charitable work by government officials.

Mr John Prescott, deputy Labour leader, said: "No matter what the public reason for this knighthood, it looks like the crudest example yet of honours being given for financial services to the Tory party."

Aides insisted that Mr Major's promise to reward unsung heroes rather than grandees held true, saying that about 40 per cent of recipients had been nominated by members of the public.

Businessmen to receiva knighthoods include Mr Colin Hope, chairman and chief executive of automotive components suppliers T & N, whose award is for services to motor manufacturing; Mr Stanley Kalms, chairman of Dixons Group, for services to the electrical retail industry; Sir Roger Hunn, chairman and chief executive of Smiths Industries, for services to engineering; and Prof Donald MacKay, chairman of Scottish Enterprise, for his service to industry and public life in Scotland.

The list was also leavened by the usual mix of celabritles from the fields of popular entertainment, sport and the arts. Elton John, the rock star; the artist Beryl Cook; the triple-jumper Jonathan Edwards; and Ian Rush, the Liverpool footballer were all honoured.

Mrs Stella Rimington, the outgoing head of the MI5 security service, becomes a dame in an honours list in which around one-third of recipients were women. Mrs Rimington's full title will be Dame Commander of the Order of the Bath.

Construction unit is proposed to sidestep sell-off

By Andrew Taylor, Construction Correspondent

Plans to create a National Centre for Constructioo have been proposed in response to moves to privatise Britain's leading building research organisation.

Construction industry leaders have expressed alarm at the possibility of the Building Research Establishment being sold. They are concerned at the prospect of the organisation being cootrolled by commercial interests which could lessen its independence or lead to it being split.

The proposal for a national centre has come from the management of the establishment, which is also one of Europe's premier research organisations.

At present it is an agency of tbe British government's Department of the Environment. It provides the government witb fire research and guidance on building control regulations, as well as conducting paid research for the private sector. More than three-qoarters of its £41.5m ($64.7m) income in 1994-95 came from public-sector fees for specific contracts. It does not receive a state subsidy.

Mr Roger Courtney, the chief executive, proposed in a letter to 700 staff before Christmas that the research body should form the basis for a non-profit National Centre for Construction in which industry aod governmeot would both hold shares.

It was important, he said, that no single sector of the construction industry should dominate the ownership of the organisation. Management and staff might also take a stake in the new centre.

A similar plan for a National Centre for Construction has already been proposed by the Construction Research and Innovation Strategy Panel. This represents all of the construction industry's leading trade associations and employer organisations as well as some of the industry's biggest customers.

Mr John Gummer, the environment secretary, last month appointed consultants to study options for privatising the organisation, which was set up in 1921 to advise on building homes for soldiers returning from the First World War. Later research conducted by the establishment has included studies into the construction of concrete tower blocks. It also provided safety studies for the construction of the Channel tunnel between England and France.

Labour prepares for early election

By George Parker, Political Staff

Mr Tony Blair, leader of the opposition Labour party, yesterday vowed to use old-fashioned campaigning techniques to sell Labour's message to the people in 1996 by staging a series of public meetings across the country.

Mr Blair will exploit what he claims is the almost complete absence of parliamentary business by hitting the road with shadow cabinet colleagues to "build a partnership with the people".

Labour strategista have noted Mr Blair's success in selling the reform of the party's constitution to sceptical activists, and believe he can make a similar impact by speaking directly to ordinary voters.

In his new year's message to the party, he said: "In 1996 my colleagues and I will be taking our agenda to every part of the country so that people may test us, so their views can inform ours and inform tbe policy ideas we develop and promote."

Mr Blair said Labour was preparing for a 1996 general election, and that it now had main planks of its strategy in place. "We have developed a distinctive, new and radical political agenda for Britain, which breaks through traditional dividing lines of left and right," he said.

But Mr Blair came under attack from Mr Paddy Ashdown, leader of the centrist Liberal Democrat party. Mr Asdown said the Labour party's programme for government was timid.

Mr Ashdown warned of the danger that a progressive government "comes to power on a wave of warm words and weak promises, is blown hither and thither by events, proves unable to meet the expectations raised in easy opposition, and descends into a one-Parliament flop, paving the way for a rejuvenated, more extreme Right".

Mr Blair may need to work with Mr Ashdown if the election fails to yield him a substantial majority, but his aides dismissed the Liberal Democrat leader's comments as political positioning. Later, Mr Blair said Labour was preparing for a general election in 1996 because it was difficult to see how a Tory Government in such disarray can "stumble on".

State of parties in the House of Commons

John Major, embattled premier

Conservative *	325
Labour **	270
Liberal Democrat	24
Scottish National party	4
Plaid Cymru (Welsh Nationalists)	4
Whipless Conservative*	1
N Ireland parties	
Ulster Unionist	9
Democratic Unionist	3
Social Democratic and Labour	4
Independent Unionist	1
Speaker and team (non-voting)	4
Vacancies because of deaths of MPs **	2
Conservative majority	5

Recent general elections: 1979 Last Labour government defeated. Conservatives have majority of 43. Subsequent Conservative majorities: 1983, 144; 1987, 101; 1992, 21

* Elected as Conservative, but does not take party whip in Commons because of disagreements over European Union
** Includes one defector from Conservatives
*** Both vacant seats likely to be captured by Labour

Minister criticises Grid chairman

By Our Political Staff

Mr Tim Eggar, the energy minister, unveiled a £50 ($78) rebate for each electricity consumer arising from the flotation of the National Grid. Mr Eggar said the rebate would offer reliaf to consumers receiving winter fuel bills, but admitted that National Grid directors had givan the flotation bad publicity by their acceptance of special share dividends.

Speaking on a visit to a factory where consumers' bills are printed, he said he wished that Mr David Jefferies, the grid chairman, had not taken the £190,000 pre-tax dividend. "I don't think he should have taken that special dividend, but it was his entitlement," Mr Eggar said on BBC Radio.

Mr Eggar praised Mr John Uttley, the grid's finance director, who has promised to give his special dividend to charity. Mr Uttley and two other directors, Mr Eric Chefneux and Mr Colin Gibson, shared abont £120,000.

The regional electricity companies, the former owners of the grid, agreed to pay £50 rebates to all customers after negotiations with Mr Eggar, who said that 22m consumers would receive rebates.

UK NEWS DIGEST

Belfast killings alarm Irish deputy premier

Mr Dick Spring, deputy prime minister of the Republic of Ireland, yesterday urged the nationalist Sinn Féin party to condemn recent murders in Belfast, the capital of Northern Ireland. Sinn Féin is the political wing of the Irish Republican Army. Mr Spring said amid growing fears for the peace process in Ireland that the murders were "an affront to a civilised society".

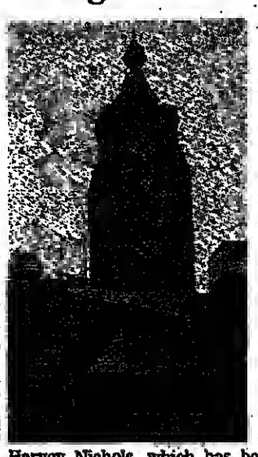
A small explosive device hidden under a carpet in a pub near Queen's University in Belfast was defused yesterday after it had failed to explode. Nobody claimed responsibility for planting it. About 40km to the west of the city a 22-year-old man was beaten with sticks by several men outside his home. More than 150 such "punishment beatings" have been logged by police in Northern Ireland since the IRA and its pro-British rivals declared ceasefires in late 1994.

In the same period six men, most of them alleged to have been drug dealers, have been murdered in Belfast. An organisation calling itself Direct Action Against Drugs said it had killed the sixth man, who was shot in his home on Wednesday. Mr Spring said the killings – for which nobody has been charged – were "a worrying feature in the whole context of the Northern Ireland peace process.

"Reports from the security forces would seem to point to para-military organisations," added Mr Spring, who is also the republic's foreign minister. Asked in a radio interview whether he would like to see the murders condemned by Sinn Féin, Mr Spring said: "I would like to see them condemned by everybody. They are totally unacceptable, an affront to civilised society."

PA News

Change for London landmark



Harvey Nichols, the fashionable London store immortalised in the BBC comedy series *Absolutely Fabulous*, yesterday announced plans for a rooftop restaurant at a London landmark. In only its second expansion outside its Knightsbridge base since it was founded nearly two centuries ago, the company is to open the restaurant, bar and brasserie at Oxo Tower Wharf on the south bank of the River Thames between Westminster and the City. The restaurant will occupy the whole length of the eighth floor of the old warehouse flanking the tower with views across the Thames. Oxo Tower Wharf, which will open to the public next spring, will also combine shops, workshop space and social housing. Harvey Nichols, which has been a Knightsbridge landmark since 1813, also plans to open a department store in the northern England city of Leeds next autumn.

PA News

Investors face marketing blitz

Britain's financial services industry is launching one of its biggest marketing battles of recent times. As £18bn ($28bn) is freed from the first batch of Tessas (tax-exempt special savings accounts) early in 1996, Tessa investors are being wooed with a wide selection of rival products. Financial advisers estimate that there are about 32,000 possible alternatives to Tessas, including those offered by life companies, pension funds and unit trust managers. The prospect of winning just a slice of Tessa cash has intensified competition among fund managers offering another tax-free investment – the personal equity plan (Pep).

Mr Sean Kingston, a director of asset managers Hargreaves Lansdown, said: "It is a huge amount of money that everybody is trying to chase. A lot of groups, such as unit trust managers, are trying to position themselves with alternative products like Peps." Several building societies (mutually owned savings and loans institutions) are now trying to tempt Tessa investors to stay by using loyalty bonuses and the promise of interest rates which are slightly higher than those on other savings accounts.

One survey suggests that they will not have to try very hard to convince an unsophisticated clientele. According to the Bradford & Bingley building society, one in five Tessa savers do not realise that the return on their cash is tax-free. *Richard Wolffe, Personal Finance Staff*

Christmas spending rises

Christmas spending on credit cards and demand for cash rose this year, says Barclays bank, which operates the largest oetwork of cash dispensers and is the country's biggest credit card issuer. More than £338m ($527m) was dispensed through Barclays' cash machines in the week before Christmas, 11 per cent more than last year. The busiest day was December 22 wheo £74m was dispensed. Spending by consumers on credit cards rose by 11 per cent this Christmas, while spending was 13 per cent higher in the first three days of the post-Christmas sales compared with last year.

A more upbeat note on the economy was also struck yesterday by Business Strategies Limited, the economic forecaster. It said the outlook for the British economy next year was bright, with spending likely to be boosted by maturing Tessa savings accounts, from electricity rebates and from building society mergers. *Graham Bowley, Economics Staff*

Shoppers stabbed: A store worker ran amok with three knives yesterday and stabbed 10 people. The man marched through the aisles at the Netto store in Bordesley Green in the English Midlands city of Birmingham, attacking shoppers and staff. Two meo and a woman were later stable in hospital. Seven other people including a 13-year-old boy suffered less serious wounds. A man was arrested outside the store by unarmed police.

Demand soars for domestic fuel

By David Lascelles and Tim Burt

British households are combating the cold weather by using exceptional amounts of fuel, aided by falling fuel prices.

Demand for gas has hit new highs, according to British Gas. The previous record in England and Wales was exceeded by 2 per cent in the 24 hours ending at 6h00 yesterday. But in Scotland, gripped by the severest weather for years, demand surged 10 per cent above the previous peak. Demand was exceptional even though many shops and businesses are still closed for the Christmas break.

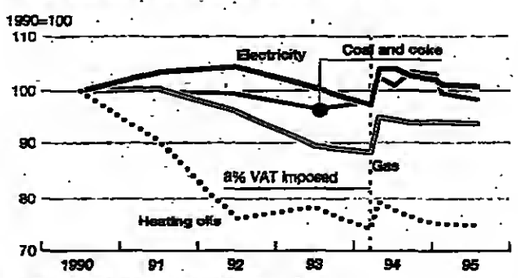
The latest government figures show that the price of coal, gas and heating oil are all lower in real terms than they were in 1990. Electricity prices are about the same.

Coal is nearly 2 per cent cheaper than in 1990. Official price controls have driven down the cost of gas by 6 per cent. Heating oil is down by a quarter, mainly because of trends in the international oil market.

British Gas said it was meeting demand in England from stored gas and higher production from the North Sea. But in Scotland it was interrupting supplies to businesses which bought gas at cheaper rates on the understanding that they might be cut off.

Calor Group, the supplier of bottled and bulk gas, is selling 50 per cent more gas than it had budgeted for at this time of year.

How home fuel costs have moved



Source: DTI Energy Trends, December 1995

Nuclear privatisation Decommissioning may last more than 100 years

Subsidy will have to exceed $300m

By David Lascelles, Resources Editor

The government is likely to have to provide several hundred million pounds for a special fund to pay for cleaning up nuclear power station sites after next year's privatisation of the industry. The fund will also have to be given tax-exempt status.

Advisers in the City of London are working on the structure of the segregated fund which was announced earlier this month by Mr Tim Eggar, the energy minister. The fund would be managed by an independent trust to ensure money was available to decommission power stations over a period that could last more than 100 years. The fund will have to be endowed with an initial cash amount of between £200m ($312m) and £300m. This sum would be increased using earnings from British Energy, the privatised company, to meet decommissioning liabilities. However, contributions would come out of tbe company's taxed income. So the trust itself would have to be exempt from tax to avoid double taxation.

The size of the trust's liabilities is still being calculated. The fund would be responsible only for long-term decommissioning – monitoring sites while disused reactors "cooled down" and eventually dismantling them after 135 years. The larger costs of the first stage of decommissioning a power station, including removal of spent fuel and contaminated components, would be paid for by British Energy, which would also bear the risk of a power station being shut down before adequate provisions had been built up.

British Energy will also be directly responsible for disposing of spent fuel, which represents the largeat part of its total liabilities, estimated at £6bn.

The initial finance for the fund could either be provided by the government or raised through a loan from the private sector. But the government has been told that it should provide the finance itself because a loan would only reduce the potential sale price of British Energy.

Another important decision will be the discount rate used to calculate the size of provisions made by British Energy to meet its liabilities. Present estimates have been based on the 6 per cent rate used by the Treasury. The nuclear industry uses 2 per cent, which means that larger provisions have to be made to reach the target.

The government's Department of Trade and Industry is expected soon to publish details of the capital structure of British Energy.

Pru widens search for new investment chief

By George Graham

Prudential Corporation, the UK's largest institutional investor, has failed to come up with a new investment chief to succeed Mr Hugh Jenkins.

Mr Jenkins, chief executive of Prudential Portfolio Managers, is to retire tomorrow, shortly before reaching the Pru's compulsory retirement age of 62.

But the management upheaval that followed the sudden departure earlier this year of Mr Mick Newmarch from the post of group chief executive has distracted attention from the search for a new investment head, who will have responsibility for managing more than £70bn of funds.

"The new chairman and chief executive came on board midway during the year. Obviously that has had a knock-on effect," an official said.

The investment job will be handled for the time being by Mr Rodney Dennis, managing director of PPM Securities UK and Europe. PPM is chaired by Mr Peter Davis, the former Reed Elsevier head who took over from Mr Newmarch in March.

But the Pru will continue to search for a successor to Mr Jenkins outside the group, using "all routes". No timetable has been set for completing the search. "That is dependent on when we find the right person," a Pru official said.

The top investment officer at the Pru has an influential role in the British financial and business world. The Pru owns roughly 3.5 per cent of the entire UK stock market capitalisation, and it has taken a strong position on several issues of corporate governance. Unlike many institutional investors, it systematically votes on all shareholder resolutions of the roughly 800 companies in which it invests.

Some upheaval had been expected after Mr Newmarch's abrupt resignation in January. He blamed an "unacceptable" relationship between the Pru and the financial services regulators. Mr Newmarch's own share dealings also came under investigation.

But Mr Davis and Sir Martin Jacomb, who took over the chairmanship in May, promised to "settle things down".

The failure to come up with a successor to Mr Jenkins, even though his retirement date was known well in advance, has been seen by some City analysts as a sign that things are taking longer to settle down than might have been hoped.

The interregnum is not expected to have any direct effect on the Pru's investment performance, which has lagged other managers in recent years.

"With that amount of funds under management it would not be a fund manager's job, more of a manager of fund managers," commented one pension fund expert.

A&L plans two-stage general insurance move

By Alison Smith, Investment Correspondent

Alliance & Leicester, the UK's fourth largest building society, is to adopt a two-stage process in establishing its general insurance subsidiary.

The first step, which is due to take place in the third quarter of 1996, will be the setting up of an operation to control customer services. Although A&L already deals with some aspects of customer service, it does not, for example, have experience of claims handling.

It might therefore decide to contract out this area to an outside organisation in the same way that it is contracting out some elements of its life assurance and unit trust subsidiaries.

The next stage would be to decide how much risk, if any, A&L wanted to take on to its books.

This could well be delayed until 1997, since if the society decides it wants to enter this area, it would probably decide to wait until a favourable moment in the underwriting cycle.

The move could also be affected if – as is widely expected – A&L announces plans early in the new year to convert and become a bank. The organisation's view of whether it would want to add these more cyclical earnings to the steadier income from selling financial services, could alter if it had just floated or was about to do so.

A&L announced earlier in 1995 that it intended to enter the general insurance market in its own right, and will seek new powers enabling it to do so at its annual meeting in the spring.

The move is part of its strategy of diversifying its income away from the traditional mortgage and savings business into other aspects of retail financial services.

Mr David Jones, head of insurance development, said that in the first instance the emphasis would be on selling A&L's core personal lines insurance – such as household policies – to its borrowers and also to its broader customer base, including savers.

Thereafter, the society plans to develop other types of policy, such as motor, travel and private medical insurance. Its aim, he said, would be to develop a flexible range of policies, which could easily be adapted to suit customers' needs.

As an initial move towards gaining more control over customer service, A&L has cut back the number of insurers with which it deals. From January it will routinely offer policies only from Royal Insurance and Eagle Star, compared with its current handful of insurers.

Forte adds £5m to its profits forecast

By David Blackwell

Forte, the hotels group fighting a hostile £3.3bn bid from Granada, yesterday raised its profits forecast by £5m after a strong December.

The group also reported an increase of more than 50 per cent in forward bookings.

Pre-tax profits for the year to the end of January are now expected to be not less than £190m. This compares with the £185m forecast issued in its first defence document on December 8, which itself represented a 46 per cent rise in underlying profits.

Granada dismissed the forecast, pointing out that at this level the performance was still worse than five years ago. The latest forecast for earnings per share at 14.5p was 16 per cent lower than for 1991.

Mr Gerry Robinson, Granada chief executive, said: "This only underlines what we've been saying all along – Forte is failing to achieve a decent return on its assets and is not delivering real value for its shareholders."

Forte, which is basing its defence on the coming strength in the hotels business, said December had seen a 25 per cent rise in London hotel room sales and a 12 per cent rise in the provinces. Both occupancy levels and room rates were higher.

Bookings for 1996-97 were more than 50 per cent higher than at this stage last year, with UK business from tour operators and other groups up 13 per cent. Next week the bid battle is expected to heat up as Forte puts out its final defence document on Tuesday and Granada starts a campaign with institutional shareholders to reinforce its case.

Forte's document will concentrate on the hotels, giving a breakdown of the performance of the main brands. It is also expected to reveal how its shareholders will benefit from the £1.05bn sale of its roadside businesses to Whitbread, announced earlier this week.

Exciting bedtime stories for investors

Scheherazade Daneshkhu explains why hotels are back in favour

After years in the doldrums, the UK hotels sector has once again become exciting for investors.

Higher occupancy and gradually rising room rates are feeding through to the bottom line. Companies such as Bass, Vaux, Stakis, Ladbroke and Forte have all reported improved profits in their hotel divisions.

Arthur Andersen, the accountant and business adviser, says that Granada's £3.3bn hostile bid for Forte, the UK's largest hotels group, marks the beginning of a wave of merger and acquisition activity in Europe. It expects the value of deals to exceed £2.5bn in 1996, more than in 1994 and 1995 combined.

If Forte secures its independence it will be as a pure hotels company after selling its restaurants for £1bn to Whitbread, the brewer and leisure company. If Granada, the TV and leisure group, succeeds it will become the UK's largest hotels company at an auspicious moment in the cycle. Pannell Kerr Forster, the hotel consultant, says the hotel industry has entered a period of strong profits growth, which it expects to continue for the next three to four years.

It is partly because of this cyclical upturn that Sir Rocco Forte, chairman and chief executive of Forte, has contended that Granada's bid grossly undervalues the company. Forte, which last revalued its properties in January 1994, has commissioned Christie, the property surveyor, to revalue its hotels. The figure to be published in Forte's final defence document on January 2 is likely to be about £3.1bn – roughly 10 per cent up on the £2.8bn of two years ago.

Hotel valuations have been controversial since Queens Moat Houses, then the UK's third biggest hotels group, slid to the brink of collapse in 1993. Valuations of its portfolio, which differed by more than £1bn within the space of a year, undermined the credibility of professional valuations.

The most commonly used method of valuation is based on the estimated earnings potential of a hotel. This tracks current and estimated earnings streams for a property. This projected figure is then capitalised by using a multiplier selected on the basis of recent transactions and the quality of the property. In this way, the volatility of UK hotel revenues is multiplied in the valuation, and the criteria for selecting the multiplier are sufficiently subjective to make the valuation relatively meaningless.

"Valuations can only reflect an informed subjective assessment of property values," says Mr William Barney, leisure consultant at accountants KPMG and co-author of a book on hotel accounting. "Many people would like to see more detail provided on methodologies, in order that they can assess the accuracy of valuations."

It is partly to address these concerns that a working party comprising the six largest accountancy firms is consulting the hotel industry on guidelines for accounting for fixed assets. One area of concern is that hotel companies and public houses do not depreciate their freehold and long-lease properties. The Accounting Standards Board is also reviewing valuation issues.

The Grosvenor House hotel in London

Mr Keith Hamill, Forte's finance director, believes there is a case for some hotels to be depreciated, such as Travelodges which are only built to last a certain period. But depreciation does not make sense for historic properties in prime locations.

In any case, valuation is only a partial guide to the worth of the company. At issue too is Forte's performance and whether the management changes and corporate restructuring, which have taken place over the past three years, will bear fruit.

Mr Hamill argues that in the past the hotel industry relied unduly on property transactions for profits. Greater competitive pressure means that operational performance and cash generation are the key to improving the quality of profits, as is greater focus on the underlying business. He says Forte may have underperformed historically because it was too much like a conglomerate – and he thought Granada would have the same drawback if it succeeded.

Mr Alan Hopper, chairman of Pannell Kerr Forster, says that hotels have been relatively good investments. A study of 25 regional UK hotels found they had generated annual returns of 15.9 per cent over 15 years to the end of 1993, compared with returns of 10.7 per cent achieved by pension funds on investment in UK property. UK equities yielded 19.5 per cent a year during the same period, when the average rise in the retail price index was 6.9 per cent.

Mr Hopper says that institutional investors have been reluctant to invest in the hotel industry because of the poor image of management capability, widely differing valuations and a lack of continual investment opportunities.

Given the notorious cyclicality of the industry, talk has already begun about the next downturn. But Mr Paul Slattery, leisure analyst at Kleinwort Benson, believes it is in much better shape this time. Travel and tourism is one of the few industries to be growing strongly and hotels have been reducing their debt. Bank lending to the hotel and catering sector has fallen to £10.2bn from a high of nearly £13bn at the end of November 1992, according to Bank of England figures.

"Any potential softening of the hotel market will be protected by less volatile swings in the economic cycle than previously experienced as a result of stable GDP growth and exchange rates, and a limited anticipated increase in new hotel room supply."

BUILDING SOCIETY INVESTMENT TERMS

Name of Society	Product	Gross Cur	Gross	Net	Net Cum	Interest Paid	Minimum Balance £	Access and other details
Birmingham Midshires (0645) 726721	Quantum High Int	6.00	6.00	4.80	4.80	Yrly	50,000	5.75/5.00/4.25/4.00-Instant Access above £10,000
	First Class Instant Access	6.60	6.60	5.28	5.28	Yrly	100,000	6.20/5.85/4.60-Instant Access Postal Account
	Quantum Fixed 1 Year	7.00	7.00	5.60	6.00	Yrly	50,000	One year fixed rate, max £500,000
Birmingham Midshires (Guernsey) (01481) 726956	Offshore Fixed 1 Year	6.50	6.50	-	-	Yrly	5,000	Fixed until 31 Jan 1997, max £2m
	Offshore Fixed 2 Year	6.75	6.75	-	-	Yrly	5,000	Fixed until 31 Jan 1998, max £2m
	Offshore Fixed 3 Year	7.25	7.25	-	-	Yrly	5,000	Fixed until 31 Jan 1999, max £2m
Bradford & Bingley (0990) 802345	Monthly Saver	-	7.50	5.48	-	Yrly	10-100	Twelve equal, consecutive monthly payments.
	Special Asset	-	6.35	4.75	-	Yrly	50,000	90 days notice, tiered interest rates
	Special Asset	-	6.05	4.54	-	Yrly	40,000	monthly interest available
	Special Asset	-	6.00	4.43	-	Yrly	20,000	
	Special Asset	-	5.45	4.07	-	Yrly	10,000	
Cahoots (0171-222 6736/7)	Jubilee Bond 2	6.42	6.42	4.82	4.82	Mnthly/Yrly	30,001	90 Day notice or penalty, £2k + at 6.17% (4.63% net)
Century (Edinburgh) (0131 558 1711)	"A" Shares	7.00	7.00	5.25	5.25	Annually	100	Restricted
	Ordinary	5.75	5.83	4.3125	4.38	Yrly	1	Instant Access
City & Metropolitan	Super 90	6.40	6.40	4.80	4.80	A	10,000	60 days notice for withdls. Gross rate for £500-£9999 - 5.80
Halifax Building Society (Tel 01422 333333)	Bonus Gold	-	6.60	4.95	-	Yrly	100,000	Includes an interest bonus of 0.25% S p.a. provided no withdrawals
	Bonus Gold	6.75	6.42	4.82	5.02	Mthly	100,000	Made during previous 12 month period. Tiered rates from £10,000.
	Split Gold	-	5.80	4.35	-	Yrly	50,000	Instant access, no penalty on min of £5,000. Otherwise 90 days
	Solid Gold	5.80	5.65	4.24	4.32	Mthly	50,000	notice or 90 days loss of interest. Tiered interest rates from £500.
	Liquid Gold	-	4.78	3.93	-	Yrly	25,000	Instant access no penalty. Tiered interest rates from £50
	TESSA	-	6.70	-	-	Yrly	50	5 year term including 2 bonuses.
Leeds & Holbeck (0113 245 9811)	Capital Bond	6.50	6.50	4.88	4.88	30 April	150,000	90 days notice/penalty. Monthly income option also available
	Tessa	6.25	6.25	-	-	1 Jan	1	No transfer restrictions or charge on withdrawal + % extra loyalty yr 5
	Gold Access	5.20	5.20	3.90	3.90	1 Jan	100,000	No notice, no penalty
Maldon (01621 852621)	Aquarius	-	5.00	3.75	-	Annually	25	No notice, no penalty - senior citizens only.
	Tessa	-	6.95	-	-	Annually	10,000	
Newcastle (0191 232 8575)	Direct 50	-	6.90	5.52	-	Annually	100,000	Withdrwls subject to 90 days notice (Instant access, 90 days loss
	Direct 50	-	6.65	4.99	-	Monthly	100,000	of interest). Available through "Newcastle Direct".
	Nova Star (Issue VIII)	-	6.00	4.80	-	Annually	1,000	No wdrwls during 12 mnth term. Thereafter 90 days notice (Instant access 90 days loss of interest).
Pertemps (Channel Islands) (01481 722747/8)	Gold Plus	6.65	6.65	-	-	Yrly	5,000	Max. holding £1,000,000. 90 days notice or penalty. Monthly option
	Instant Gold	6.20	6.20	-	-	Yrly	5,000	Max holding £1,000,000. Instant access. Monthly option.
	Gold Bond (5 yr Bond)	6.75	6.00	-	-	Yrly	5,000	Now five year term (previously three years). Monthly option.
Principality (01222 824100)	Tessa	7.00	-	-	N/A	Annually	25	Tax exempt when capital remains for 5 years.
Skipton (01756 700911)	Sovereign Shares	4.70	4.70	3.53	3.53	Yrly	50,000	Instant Access
	3 High Street	5.75	5.75	4.31	4.31	Yrly	15,000	Instant Access, operated through
		5.60	5.60	4.20	4.20	Yrly	2,000	branches. Maximum £25,000
Yorkshire (0345 373855)	Tessa Premier	5.65	6.65	-	-	Yrly	100	90 days notice to transfer
	1st Class Access	6.25	6.25	4.69	4.69	Yrly	100,000	Minimum opening balance £1,000
	1st Class Access	6.00	6.00	4.50	4.50	Yrly	50,000	Instant postal access
	1st Class Access	5.75	5.75	4.31	4.31	Yrly	25,000	Link ATM card for access 24 hrs
	1st Class Access	5.65	5.65	4.24	4.24	Yrly	10,000	
	1st Class Access	5.50	5.50	4.13	4.13	Yrly	1,000	
	1st Class Access	2.75	2.75	2.06	2.06	Yrly	25	
Woolwich (0800 400 500)	Premier 90	-	6.60	4.88	-	Yrly	200,000	Monthly income available
		-	6.20	4.65	-	Yrly	100,000	Rates variable
		-	5.65	4.46	-	Yrly	50,000	One instant withdrawal
		-	5.70	4.28	-	Yrly	25,000	£10k per access, others at 90 days
		-	4.85	3.64	-	Yrly	10,000	Notice/penalty
		-	4.20	3.15	-	Yrly	5,000	

For telephone see local directory. Net of basic rate tax. CAR = Annual yield after interest compounded. 30/12/95

Season's Greetings BRISTOL & WEST

BRISTOL & WEST BUILDING SOCIETY

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Merrill Lynch still top dog in record year for bonds

By Conner Middelmann

A year of record new issue volume in the international bond market saw Merrill Lynch, the US investment bank, retain its rank of number one bookrunner of international bonds for the second year running, according to data published yesterday by Euromoney Bondware.

Issuance reached $463.3bn in 1995, compared with $431.6bn in 1994 and $442.1bn in 1993, according to the UK capital markets database.

Merrill Lynch led 187 offerings worth $30.2bn in 1995 after arranging 169 totalling $35.4bn in 1994. However, its market share fell to 6.52 per cent from 8.21 per cent.

Some underwriters have complained that Merrill's figures are inflated by asset-backed issues which, although dubbed "global", are thought to be placed mainly with US investors. However, the bank has scored several widely acclaimed successes, including opening the market for eurobonds denominated in South African rand and Czech koruna. Merrill is followed in the league tables by SBC Warburg which led 147 issues worth $25.99bn, capturing 5.61 per cent of the market.

SBC was third in 1994 but was able to move up a notch on the back of its strong European retail customer base and its presence in a broad range of currencies. SBC gained additional expertise in sterling this year by buying UK merchant bank SG Warburg.

CS First Boston/Credit Suisse ranks a very close third, down one place and lagging SBC Warburg's underwriting volume by a mere $107m; it, too, arranged 147 bond issues and holds 5.59 per cent of the market.

Nomura Securities moved up one rung into fourth, replacing Goldman Sachs which slipped to 11th, while Morgan Stanley managed a swift ascent from eighth in 1994 to fifth.

As usual, dollars made up the lion's share of issuance, at 35.6 per cent. That was followed by D-Marks, at 18.6 per cent compared with 9.3 per cent. Yen made up 15.3 per cent down from last year's 16.5 per cent.

TOP 10 BOOKRUNNERS OF INTERNATIONAL BONDS 1995

Manager or group	Amount $bn	Number of issues	Market share %
Merrill Lynch	30.21	187	6.52
SBC Warburg	25.99	147	5.61
CS First Boston/Credit Suisse	25.88	147	5.59
Nomura Securities	23.91	194	5.16
Morgan Stanley	22.94	148	4.95
Deutsche Morgan Grenfell	19.39	81	4.19
Daiwa Securities	18.00	119	3.88
JP Morgan	17.60	115	3.80
Lehman Brothers	17.53	82	3.78
Union Bank of Switzerland	15.75	113	3.40

Source: Euromoney Bondware

Reverse takeover at Rossmont

By Graham Deller

Shares of Rossmont were suspended at 10p yesterday as the stainless steel sanitaryware group unveiled the reverse takeover of Dunham-Bush in a deal valued at a maximum £7.8m.

Dunham-Bush, ultimately controlled by Berjaya of Malaysia – which has a 29.99 per cent interest in Rossmont – specialises in heating, ventilation and air conditioning equipment. In 1994 it achieved pre-tax profits of £472,399 on sales of £9.32m.

Mr Robert Burns, Rossmont chairman, stressed that the deal was vital for the group: "Without the proposed acquisition there is a fundamental uncertainty over the going concern of the group".

Results for the year to June 30, released yesterday, showed a pre-tax deficit of £209,000, against profits of £185,000 in the comparable 15 month period. Turnover dipped to £1.98m (£2.8m). Losses per share were 1.13p (earnings of 0.91p) but the final dividend is maintained at 0.2p for an unchanged 0.4p total.

NEWS IN BRIEF

BBB DESIGN: Increased activity in design, marketing and publishing operations helped group return to the black with pre-tax profits of £80,000 (£88,000 loss) for six months to October 31. Turnover was £597,000 (£633,000). Earnings per share emerged at 1p (losses of 1.06p). The last dividend was paid in 1990.

BS GROUP has taken a 50 per cent stake in Poole Stadium Limited, a new company set up to acquire an interest in the site owned by the local municipal authority. BS has subscribed £15,000 for half the share capital of PSL and advanced £250,000 through an interest bearing loan.

COSTAIN GROUP is to sell its precast concrete products business, Costain Building Products, to Tarmac for £3.6m cash. CBP trades principally as Costain Dow Mac and Charcon Tunnels and has assets valued at £13m. The proceeds will be used to reduce debt.

DELYN GROUP'S proposed disposal of its packaging business has been approved by shareholders. The special dividend of 8p will be paid on February 26.

HARTONS GROUP: In connection with open offer, Schutterseld Holding has been allotted 34.2m new ordinary shares, not 33.9m as previously announced. As a result Schutterseld's holding will be 53.31 per cent of share capital and 48.71 per cent of voting share capital.

LONDON & ASSOCIATED Properties has acquired the leasehold of Kings Square, West Bromwich, a large shopping centre, for £8m. Gross rental income is £997,000 a year.

LYONNAISE DES Eaux: recommended cash offer for Northumbrian Water Group received valid acceptances in respect of 45.6m shares or 65.29 per cent. Offer declared unconditional.

NORTH WEST WATER has changed its name to United Utilities, with effect from January 1.

SEDGWICK GROUP, through Dutch subsidiary Schlenker Assuradeuren, has agreed to sell portfolio of travel insurance businesses to Europeesche Verzekering Maatschappij, of Amsterdam, for £4.9m cash and with effect from January 1 1996. Sedgwick also said that subsidiary, Rivers Group, has sold BVF (Underwriting Management) to Hampden Management for nominal £100.

STANELCO doubled pre-tax losses to £95,000 for the six months to August 31. Mr Christopher Mills, chairman, said disruption at the factory meant the company had used sub-contractors which had cost more than anticipated. Turnover improved to £657,000 (£631,000). Losses per share were unchanged at 0.01p.

RESULTS

		Turnover (£m)		Pre-tax profit (£m)		EPS (p)		Dividends: Current payment (p)	Date of payment	Corresponding dividend	Total for year	Total last year
Creston Land & Est.	Yr to June 30	7.578	(6.461)	5.561L▲	(0.157)	8.2L	(0.3L)	nil	-	nil	-	nil
Rossmont	Yr to June 30 ★	1.98	(2.8)	0.209L	(0.185)	1.13L†	(0.91)	0.2	-	0.2	0.4	0.4
Union Square	6 mths to Sept 30 ★	0.558	(1.341)	0.453	(1.851▼)	0.36†	(0.86)	nil	-	nil	-	nil

Investment Trusts		NAV (p)		Attributable Earnings (£m)		EPS (p)		Current payment (p)	Date of payment	Corresponding dividend	Total for year	Total last year
Claire	8 mths to Sept 30	105.4	(139.9)	0.293	(0.191)	1.85	(1.2)	0.5	Feb 13	nil	-	0.3

Earnings shown basic. Dividends shown net. Figures in brackets are for corresponding period. ▲After exceptional charge. †On increased capital. ★Comparatives for 15 months ☆Comparatives restated.

Willis Corroon raises $52m from HQ sale

By Patrick Harverson

Willis Corroon, the insurance broker, has raised $52.4m (£33m) from the sale of its US headquarters to Sborenstein Realty Investors Two, a US property investment group.

Willis, however, has taken out a 15-year lease to rent just over half of the space in the 470,000 sq ft offices and conference centre complex in Nashville, Tennessee.

Mr Richard Dalzell, group finance director, said: "We have conducted a reassessment of our needs in the last six to nine months and we decided to sell the whole building and leaseback what we needed. We don't need to own buildings that we don't wholly occupy."

He said Willis required less space in the building because the US operation had been downsized and because the building had been too large for the group in the first place.

Most of the funds from the sale will be used to reduce borrowings, which stood at £100m at the end of 1994. Mr Dalzell said gearing would be reduced to below 50 per cent by the end of the year, leaving Willis with debts of about £50m.

The sale and leasaback arrangement comes at the end of a year-long restructuring at Willis which has seen the group shed more than 900 staff, sell its remaining interest in US insurance underwriting and disposa of other non-core businesses.

However, Mr Dalzell said the sale of the Nashville HQ was not primarily about cutting costs. "This is not directly related to the restructuring. It's more about balance sheet strengthening."

German-led bid wins Austria phone licence

By Ian Rodger in Zurich

A consortium led by Siemens and Deutsche Telekom has won the licence to operate Austria's second GSM mobile telephone network.

Mr Viktor Klima, the Austrian transport minister, said in Vienna that the Oe-Call group had offered Sch4bn ($397m) for the licence, "by far the highest" of the five consortia bidding.

Mr Klima said the introdnction of competition would help bring down Austria's telecom prices by about 30 per cent. OeCall said it would have its network operating by the summer, and aimed to attract 400,000 snbscribers by the year 2000. The licence is for 20 years.

OeCall had been the favourite to win the the franchise, mainly because of its high bid. Other bidders offered between Sch3bn and Sch3.6bn.

However, competitors criticised the award because the OeCall consortium was dominated by German companies and because Siemens was an important snpplier of equipment to the Austrian Post Office, tha operator of the country's other GSM network.

Legal appeals can be made; last June, the government's awards of private radio licences were blocked by the constitutional court.

Mr Rudolf Gruber, chief executive of EVN, an Austrian gas and electricity utility, and leader of United Telecom, one of the losing consortia, said the decision was "absolutely astonishing". He claimed that Deloitte and Touche, the transport ministry's advisers in the tender, had favoured United Telecom.

He said the documents explaining the decision would be available in two weeks and the group would then decide on whether or not to appeal.

Ericsson, the Swedish telecom equipment group, complained to Brussels earlier this month about the possible conflict in Siemens' position.

Mr Klima said his ministry had been in close contact with Mr Karel Van Miert, the European Union competition commissioner, throughout the selection process. "There is no problem regarding this for the EU," he said.

Oe-Call is made up of Deutsche Telekom (25 per cent), Siemens Austria (19.8 per cent), Bank für Arbeit und Wirtschaft (19.5 per cent), Krone-Verlag, a leading Austrian newspaper group (10 per cent), the Austrian insurance groups Bundesländer Versicherungs and EA-Generali (9.1 per cent each) and Bayerische Landesbank Girozentrale (7.5 per cent).

A remarkable comeback to the top of the tables

Nicholas Denton looks at Baring Brothers' £20bn rise from disaster

In any year, Baring Brothers' achievemeot would be remarkable. Involvement in the two biggest deals of the year has propelled the merchant bank to the top of the 1995 UK league tables drawn up by Acquisitions Monthly magazine.

Baring Brothers advised on £19.5bo worth of deals, including the sale of Wellcome to Glaxo for £9.1bo and Lloyds Bank's £5.9bn acquisition of TSB Group.

The corporate finance group is believed to have achieved a record £50m in fees and other revenues, generating an estimated £10m-£15m in bonuses.

And all this in a year in which the Barings group collapsed with £830m in derivatives losses and fell into the arms of Internationale Nederlanden Groep, the Dutch bank.

Even Baring Brothers' rivals, usually quick to kick a downed competitor, concede the merchant bank has made a remarkable comeback.

It has not been easy. After February's crash, headhunters, representing investment banks building up their operations in London, circled Baring in the bope of wooing potential defectors. Corporate clients, in the busiest ever year for takeovers, had lower tolerance than ever for advisers with their own internal problems.

Moreover, Baring Brotbers fitted poorly into ING Barings, the combined investment bank.

Its primary business was in the UK, while ING aimed to create the leading investment bank for emerging markets. The focus of ING's interest was Baring Securities and Baring Asset Management. The corporate finance department's preferred rescuer was ABN Amro, another Dutch bank.

Baring Brothers remains a bank within a bank.

Conservative UK corporate financiers still bold to the virtues of independent advice and are uncomfortable with the belief of continental European banks in integrated universal banking.

Andrew Tuckey: remains an adviser in spite of criticism

Baring Brothers has refused to take the ING name and on its tombstone advertisements the only concession to its new owner is the subtext, in small point size: a member of the ING Group.

Although the fatal losses occured in the derivatives trading business, corporate finance has suffered a share of the embarrassment.

Mr Andrew Tuckey, former chairman of Barings investment bank, remains an adviser working in corporate finance despite the criticism be received in tbe Bank of England's report on the collapse. As to whether Mr Tuckey's £100,000 consultancy contracts should be renewed when it expires in the summer, corporate financiers are divided.

So how has Baring Brothers bounced back? For a start, it is the part of Barings whose history goes back 200 years and commands tremendous attachment from staff. Of about 100 professionals, only two could be said to have defected. "Wa stuck together," says Mr Simon Borrows, a corporate finance director.

Secood, the division also acted quickly to ensure its defence of Wellcome, under way before the crash, was unaffected. The Wellcome team was immediately moved out of tbe turmoil of Barings' Bishopsgate office to the pharmaceuticals' company's headquarters on the Euston Road.

Third, the crisis may have in some respects improved Barings' responsiveness to clients. It eliminated any complacency and resulted in the promotion of younger executives in everyday contact with them. Some Baring Brothers executives even believe their own experience as a target has improved their own understanding of clients' personal concerns in takeovers. Mr Borrows remembers a client phoning up in the week after the collapse and asking: "How does it feel?"

Finally, there is an element of chance in the league table position. Baring Brothers had the good fortune that Wellcome and Lloyds Bank, its two biggest UK customers, were both involved in large deals this year. New appointments, to companies such as Argus Press and Victrex, were important but it was the two megadeals which lifted Baring Brothers to the top of the investment bank rankings.

The recovery, lucky or not, has already prompted one significant change. Headhunters, so recently seeking to loosen Baring Brothers corporate financiers, have in the last couple of months begun to tout to it resumés from SBC Warburg and other more troubled investment banks.

Italian banks take 5.49% stake in Mediaset

By Robert Graham in Rome

The important second phase of plans to bring in ontside shareholders and float the television interests of Mr Silvio Berlnsconi's Fininvest business empire was concluded yesterday.

This followed an agreement signed between Fininvest and IMI, the Italian banking group, heading a group of six banks, to take a 5.49 per cent stake – worth L370bn ($233m) – in Mediaset, the newly formed company which owns the TV interests. The IMI-led consortium has also undertaken to help with the subsequent flotation of part of Mediaset with a preliminary commitment to underwrite L1,025bn of shares.

Under yesterday's agreement, IMI will take L100bn of shares, San Paolo di Torino L70bn and Banca Commerciale, Banca di Roma, Cariplo and Monte dei Paschi L50bn each. This is at the lower end of the amount of shares the banks were invited to take up.

BNL, the state-owned bank, has is awaiting the ontcome of talks with British Telecommnnications to see whether the latter is willing to take a stake via the companies Albacom telecoms joint venture.

The banks' 6,729,600 shares have been valued at L55,000 each. Some banks approached refused on the grounds that tbe price was too higb and because nncertainties remained over the future of Fininvest's three commercial channel licences. The banks have options valid until June 1998 which allow them to buy further shares at tbe same price on the basis of one for every three shares beld.

Mr Berlusconi plans to take his family's stake below 50 per cent with a public flotation starting in mid-1996.

● Mediobanca, the Italian merchant bank, said yesterday that it planned a public offer for ordinary shares in Ferruzzi, Reuter reports from Milan.

Chicago bourses turn volume down

The decline of pit trading could hit CBoT and CME, says Laurie Morse

Chicago's futnras exchanges, the world's largest and busiest, have had a gruelling year. Volumes declined for the first time since 1991, and seat values dropped by as mnch as 40 per cent.

Even worse, the vision that has made Chicago the trendsetter in a global industry seems to have lost its focus. Although exchange executives believe 1995 was merely a "blip" in two decades of growth, others say fundamental changes in derivatives trading could leave the big exchanges behind.

As the year ends, the Chicago Board of Trade is facing a funding crisis caused partly by over-optimistic growth projections and an $182m expansion in its open outcry trading facility. It has proposed a 30 per cent rise in user fees – its first fee increase for 15 years – to close the budget gap, a move industry critics say could backfire and drive more business away from the exchange floor.

At the Chicago Mercantile Exchange, volume was down more than 8 per cent for the 11 months ended November 30, a modest decline given this year's sluggish worldwide trade in derivatives. However, the aggregate figure disguises important underlying weaknesses.

The CME's foreign currency futures and options business, for example, will be off 25 per cent this year. Traders say successive volume falls have redneed liquidity in the currency pits to a point wbere rebuilding the business will be difficult.

More alarmingly, the CME's giant Eurodollar futures and options trade – making up more than 80 per cent of the exchange's turnover – declined this year for the first time since the products were launched.

Mr Jack Sandner, the exchange's chairman, describes the volume drop as "temporary", pointing to the cyclical nature of the futures business. He says the decline in seat values at his exchange can be seen in a good light, as retrenchment will bring in new blood, and allow people who have been priced ont of the market to buy memberships. Mr Sandner emphasises there are "absolutely no plans" to raise transaction fees at the CME to make up for lost business.

Glyn Genin

Muted performance: traders on the Chicago Mercantile Exchange

Mr Leo Melamed, chairman of Sakura Dellsher, a futures brokerage firm, and a long-time leader at the CME, says much of what happened this year will have only a temporary impact.

However, he also says there is something more fundamental happening, to which the Chicago exchanges need to respond quickly. "What worries me is that the over-the-counter markets are providing much more substantive and aerious competition [to the exchanges].

"A lot of volume going to OTC markets isn't coming back, and although the exchanges have given lip service to meeting this competition, they really don't know what to do about it."

Mr Melamed thinks the exchanges should drop their stubborn commitment to expensive open-outcry trading and allow more electronic dealing. He notes that in the interbank market, most foreign exchange trading is done by screen, making it hard for the trading floor to compete. He doesn't recommend wholesale abandonment of pit trading, but says: "We ought to hedge our bets – realise that technology is the way this business is going."

Futures trading became more concentrated this year as firms first consolidated, then retrenched. The trading pnblic also consolidated, putting its futures bets into managed commodity "pools" and thereby cutting the industry's customer base. Unlike the public, pool operators have more access to OTC derivatives.

Cost-cutting by brokerage firms added to the slide in the membership price. Refco, the international futures brokerage firm chaired by Mr Thomas Dittmer, the one-time CME cattle trader, sold 31 CBoT seats and 26 CME seats in the second half of this year.

Mr Dittmer's retreat from the exchanges – leaving him with seven memberships in each market – was watched closely by other brokerage executives. Refco had used the seats to put its own brokers in each Chicago pit. With floor-broking commissions low, people close to Mr Dittmer said maintaining such a large and expensive staff was no longer necessary. Mr Dittmer is believed to have raised nearly $30m from the Chicago seat sales.

The CME's Mr Sandner acknowledges firms are cutting back, and that a steady demand by Japanese and European banks for Chicago futures memberships may hava ended.

Next year, however, his exchange intends to launch a new division devoted to emerging markets. "With the emerging market initiativa, a new continent [Latin America] will want to enter our world, and firms from these countries will create demand for our seats," he says.

The CME is also re-examining its contract with Reuter, which owns Globex, an electronic futures trading system. This has forced the CME on to the sidelines as othar exchanges forge live links.

The CME/Globex agreement comes up for review in April, and Mr Sandner says the CME is pushing for freedom to form non-Globex links. He even suggests the CME may abandon Globex.

The CBoT abandoned Globex more than a year ago, and by late June hopes to have a live trading link with London's Liffe. The arrangement will allow each exchange to trade the other's most sncccssful products outside regular business hours. Futures executives say this will increase liquidity in all contracts and pave the way for further co-operation between the exchanges.

The CBoT is perhaps the best-equipped of tbe two big Chicago exchanges to deal with the challenge from OTC competition. This month it received regulatory approval to clear and settle OTC bond transactions, and to create a brokerage firm that would allow its members a low-cost way of trading securities in the OTC market.

Trade clearing is one of the strongest aspects of the futures industry, and by combining clearing services for cash and futures contracts, the CBoT could discover a way to lower costs and attract more action from the OTC markets.

FT GUIDE TO WORLD CURRENCIES

The table below gives the latest available rates of exchange (rounded) against four key currencies on Friday, December 29, 1995. In some cases the rate is nominal. Market rates are the average of buying and selling rates except where they are shown to be otherwise. In some cases market rates have been calculated from those of foreign currencies to which they are tied.

		£ STG	US $	D-MARK	YEN (X 100)
Afghanistan	(Afghani)	7374.85	4750.00	3318.66	4604.72
Albania	(Lek)	145.712	93.8500	65.5698	90.9736
Algeria	(Dinar)	81.0089	52.1750	36.4529	50.5709
Andorra	(French Fr)	7.5828	4.8905	3.4168	4.7409
	(Sp Peseta)	188.355	121.320	84.7621	117.609
Angola	(Kwanza)	8837.40	5692.00	3976.80	5517.91
Antigua	(E Carib $)	4.1920	2.7000	1.8864	2.6174
Argentina	(Peso)	1.5323	0.9869	0.6895	0.9653
Armenia	(Dram)	623.117o	403.270	281.751	390.935
Aruba	(Florin)	2.7792	1.7900	1.2505	1.7353
Australia	(Aus $)	2.0672	1.3443	0.9392	1.3032
Austria	(Schilling)	15.6351	10.0706	7.0380	9.7625
Azerbaijan	(Manat)	6593.54o	4440.00	3102.08	4304.20
Azores	(Port Escudo)	231.936	149.390	104.374	144.821
Bahamas	(Bahama $)	1.5526	1	0.6987	0.9694
Bahrain	(Dinar)	0.5853	0.3770	0.2634	0.3655
Balearic Is	(Sp Peseta)	188.355	121.320	84.7621	117.609
Bangladesh	(Taka)	62.5676	40.3000	28.1562	39.0674
Barbados	(Barb $)	3.1228	2.0113	1.4052	1.9498
Belarus	(Rouble)	17634.9o	11500.0	8034.65	11148.3
Belgium	(Belg Fr)	45.6916	29.4300	20.5617	28.5298
Belize	($ B)	3.1052	2.0000	1.3973	1.9388
Benin	(CFA Fr)	759.280	489.050	341.682	474.092
Bermuda	(Bermudian $)	1.5526	1	0.6987	0.9694
Bhutan	(Ngultrum)	54.5954	35.1680	24.5696	34.0695
Bolivia	(Boliviano)	7.6856	4.9400	3.4514	4.7899
Botswana	(Pula)	4.3753	2.8177	1.9686	2.7315
Brazil	(Real)	1.5090	0.9720	0.6791	0.9423
Brunei	(Brunei $)	2.1951	1.4145	0.9883	1.3712
Bulgaria	(Lev)	110.017	70.8600	49.5074	68.6928
Burkina Faso	(CFA Fr)	759.280	489.050	341.682	474.092
Burma	(Kyat)	8.6591	5.7060	3.9886	5.5315
Burundi	(Burundi Fr)	395.096	254.474	177.792	246.691
Cambodia	(Riel)	3570.38	2300.00	1608.39	2229.65
Cameroon	(CFA Fr)	759.280	489.050	341.682	474.092
Canada	(Canadian $)	2.1175	1.3639	0.9529	1.3222
Canary Is	(Sp Peseta)	188.355	121.320	84.7621	117.609
Cp. Verde	(CV Escudo)	128.819	82.9700	57.9863	80.4324
Cayman Is	(CI $)	1.2859	0.8282	0.5788	0.8029
Cent. Afr Rep	(CFA Fr)	759.280	489.050	341.682	474.092
Chad	(CFA Fr)	759.280	489.050	341.682	474.092
Chile	(Chilean Peso)	631.345	406.550	284.112	394.213
China	(Yuan)	12.9132	8.3174	5.8111	8.0630
Colombia	(Col Peso)	1538.19	990.750	692.203	960.448
Comoros	(Fr)	569.940	367.088	256.472	355.860
Congo	(CFA Fr)	759.280	489.050	341.682	474.092
Costa Rica	(Colon)	297.727	191.760	133.976	185.895
Côte d'Ivoire	(CFA Fr)	759.280	489.050	341.682	474.092
Croatia	(Kuna)	8.2688	5.3257	3.7209	5.1626
Cuba	(Cuban Peso)	1.5526	1	0.6987	0.9694
Cyprus	(Cyprus £)	0.7089	0.4565	0.3190	0.4426
Czech Rep.	(Koruna)	41.4003	26.6850	18.6306	25.8504
Denmark	(Danish Krone)	8.0042	5.5420	3.8720	5.3725
Djibouti Rep	(Djib Fr)	248.416	160.000	111.787	155.106
Dominica	(E Carib $)	4.1920	2.7000	1.8864	2.6174
Dominican Rep	(D Peso)	20.6851	13.3100	9.2982	12.9029
Ecuador	(Sucre)	4332.04o	2919.00	2039.40	2829.72
	(Sucre)	4108.93a	2646.50	1849.02	2565.56
Egypt	(Egyptian £)	5.2643	3.4005	2.3779	3.2994
El Salvador	(Colon)	13.6008	8.7600	6.1203	8.4921
Equat'l Guinea	(CFA Fr)	759.280	489.050	341.682	474.092
Estonia	(Kroon)	17.7897	11.4580	8.0053	11.1076
Ethiopia	(Ethiopian Birr)	9.0051	5.8000	4.0523	5.6236
Falkland Is	(Falk £)	1	0.6441	0.4500	0.6244
Faroe Is	(Danish Krone)	8.0042	5.5420	3.8720	5.3725
Fiji Is	(Fiji $)	2.2189	1.4286	0.9981	1.3849
Finland	(Markka)	6.7414	4.3422	3.0337	4.2094
France	(Fr)	7.5828	4.8905	3.4168	4.7409
Fr. Cty/Africa	(CFA Fr)	759.280	489.050	341.682	474.092
Fr. Guiana	(Local Fr)	7.5828	4.8905	3.4168	4.7409
Fr. Pacific Is	(CFP Fr)	138.167	88.9608	62.1746	86.2690
Gabon	(CFA Fr)	759.280	489.050	341.682	474.092
Gambia	(Dalasi)	15.2970	9.8525	6.8836	9.5512
Germany	(D-Mark)	2.2222	1.4313	1	1.3875
Ghana	(Cedi)	2232.64	1438.00	1004.68	1394.02
Gibraltar	(Gib £)	1	0.6441	0.4500	0.6244
Greece	(Drachma)	357.302	230.160	160.790	223.144
Greenland	(Danish Krone)	8.0042	5.5420	3.8720	5.3725
Grenada	(E Carib $)	4.1920	2.7000	1.8864	2.6174
Guadeloupe	(Local Fr)	7.5828	4.8905	3.4168	4.7409
Guam	(US $)	1.5526	1	0.6987	0.9694
Guatemala	(Quetzal)	9.2336	5.9473	4.1552	5.7654
Guinea	(Fr)	1547.94	997.000	696.570	966.507
Guinea–Bissau	(Peso)	26002.7	16036.0	12601.1	17484.4
Guyana	(Guyanese $)	216.588	139.500	97.4638	135.233
Haiti	(Gourde)	28.4884	18.0000	13.2747	18.4188
Honduras	(Lempira)	15.6657	10.0900	7.0485	9.7814
Hong Kong	(HK $)	12.0046	7.7322	5.4022	7.4957
Hungary	(Forint)	212.125	136.630	95.4567	132.451
Iceland	(Icelandic Krona)	101.278	65.2300	45.5740	63.2343
India	(Indian Rupee)	54.5954	35.1680	24.5696	34.0695
Indonesia	(Rupiah)	3648.91	2288.50	1597.90	2216.57
Iran	(Rial)	4657.80a	3000.00	2096.00	2908.24
Iraq	(Iraqi Dinar)	0.4827o	0.3109	0.2172	0.3014
Iraq	(Iraqi Dinar)	3881.30m	2500.00	1746.66	2423.54
Irish Rep	(Punt)	0.9657	0.6239	0.4359	0.6048
Israel	(Shekel)	4.8690	3.1361	2.1911	3.0402
Italy	(Lira)	2463.04	1586.45	1108.40	1537.93
Jamaica	(Jamaican $)	58.6899	38.6000	25.9013	35.9337
Japan	(Yen)	160.163	103.155	72.0708	100
Jordan	(Jordanian Dinar)	1.1006	0.7000	0.4894	0.6873
Kazakhstan	(Tenge)	98.9938	63.7600	44.5469	61.8098
Kenya	(Kenya Shilling)	86.8680	55.9500	39.0903	54.2386
Kiribati	(Australian $)	2.0672	1.3443	0.9392	1.3032
Korea North	(Won)	3.3381	2.1500	1.5021	2.0843
Korea South	(Won)	1234.38	795.750	541.980	752.024
Kuwait	(Kuwaiti Dinar)	0.4647	0.2993	0.2091	0.2901
Laos	(New Kip)	1428.39	920.000	642.772	891.882
Latvia	(Lats)	0.8339	0.5371	0.3753	0.5207
Lebanon	(Lebanese £)	2477.87	1596.00	1115.07	1547.19
Lesotho	(Maluti)	5.6599	3.6455	2.5470	3.5340
Liberia	(Liberian $)	1.5526	1	0.6987	0.9694
Libya	(Libyan Dinar)	0.5620	0.3655	0.2484	0.3446
Liechtenstein	(Swiss Fr)	1.7805	1.1607	0.8040	1.1155
Lithuania	(Litas)	6.2104	4.0000	2.7947	3.8777
Luxembourg	(Lux Fr)	45.6916	29.4300	20.5617	28.5298
Macao	(Pataca)	12.4053	7.9900	5.5823	7.7456
Macedonia	(Denar)	61.0178	39.3004	27.4578	38.0984
Madagascar	(MG Fr)	6357.90	4095.00	2861.04	3969.73
Madeira	(Port Escudo)	231.936	149.390	104.374	144.821
Malawi	(Kwacha)	24.3000	15.5960	10.8925	15.1145
Malaysia	(Ringgit)	3.9419	2.5390	1.7739	2.4613
Maldive Is	(Rufiya)	18.2741	11.7700	8.2233	11.4100
Mali Rep	(CFA Fr)	759.280	489.050	341.682	474.092
Malta	(Maltese Lira)	0.5471	0.3524	0.2462	0.3416
Martinique	(Local Fr)	7.5828	4.8905	3.4168	4.7409
Mauritania	(Ougulya)	208.275	134.790	94.1731	130.658
Mauritius	(Maur Rupee)	29.2991	18.2050	12.7192	17.6482
Mexico	(Mexican Peso)	11.9984	7.7050	5.3832	7.4693
Miquelon	(Local Fr)	7.5828	4.8905	3.4168	4.7409
Moldova	(Leu)	6.9790	4.4950	3.1405	4.3575
Monaco	(French Fr)	7.5828	4.8905	3.4168	4.7409
Mongolia	(Tugrik)	714.475	460.180	321.512	446.105
Montserrat	(E Carib $)	4.1920	2.7000	1.8864	2.6174
Morocco	(Dirham)	13.1486	8.4699	5.9169	8.2099
Mozambique	(Metical)	16370.7	9900.00	6916.79	9597.21
Namibia	($ A Rand)	5.6599	3.6455	2.5470	3.5340
Nauru Is	(Australian $)	2.0672	1.3443	0.9392	1.3032
Nepal	(Nepalese Rupee)	84.2296	54.2500	37.9036	52.5808
Netherlands	(Guilder)	2.4659	1.6031	1.1200	1.5541
N'nd Antilles	(A/Guilder)	2.7792	1.7900	1.2505	1.7353
New Zealand	(NZ $)	2.3749	1.5295	1.0685	1.4827
Nicaragua	(Gold Cordoba)	12.0550	7.8676	5.5997	7.7142
Niger Rep	(CFA Fr)	759.280	489.050	341.682	474.092
Nigeria	(Naira)	34.1572o	22.0000	15.3706	21.3271
	(Naira)	133.675m	86.1000	60.1551	83.4688
Norway	(Nor. Krone)	9.8091	6.3181	4.4142	6.1248
Oman	(Rial Omani)	0.5978	0.3851	0.2691	0.3733
Pakistan	(Pak. Rupee)	53.1218	34.2168	23.9054	33.1698
Panama	(Balboa)	1.5526	1	0.6987	0.9694
Papua New Guinea	(Kina)	2.0726	1.3351	0.9328	1.2943
Paraguay	(Guarani)	3046.38	1962.50	1371.13	1902.48
Peru	(New Sol)	3.5793	2.3035	1.6094	2.2330
Philippines	(Peso)	40.7234	26.2300	18.3260	25.4278
Pitcairn Is	(£ Sterling)	1	0.6441	0.4500	0.6244
	(NZ $)	2.3749	1.5295	1.0685	1.4827
Poland	(Zloty)	3.8298	2.4668	1.7235	2.3914
Portugal	(Escudo)	231.936	149.390	104.374	144.821
Puerto Rico	(US $)	1.5526	1	0.6987	0.9694
Qatar	(Riyal)	5.6529	3.6409	2.5439	3.5296
Reunion Is. de la	(Fr Fr)	7.5828	4.8905	3.4168	4.7409
Romania	(Leu)	4063.34	2630.00	1837.49	2549.68
Russia	(Rouble)	0.9921o	0.6390	0.4465	0.6195
	(Rouble)	7258.40m	4675.00	3266.29	4532.01
Rwanda	(Fr)	341.572	220.000	153.706	213.271
St Christopher	(E Carib $)	4.1920	2.7000	1.8864	2.6174
St Helena	(£)	1	0.6441	0.4500	0.6244
St Lucia	(E Carib $)	4.1920	2.7000	1.8864	2.6174
St Pierre	(French Fr)	7.5828	4.8905	3.4168	4.7409
St Vincent	(E Carib $)	4.1920	2.7000	1.8864	2.6174
San Marino	(Italian Lira)	2463.04	1586.45	1108.40	1537.93
Sao Tome	(Dobra)	2746.16	1768.76	1235.77	1714.66
Saudi Arabia	(Riyal)	5.8229	3.7505	2.6203	3.6358
Senegal	(CFA Fr)	759.280	489.050	341.682	474.092
Seychelles	(Rupee)	7.5279	4.8509	3.3920	4.7065
Sierra Leone	(Leone)	1412.87	910.000	635.786	882.166
Singapore	($)	2.1951	1.4145	0.9883	1.3712
Slovakia	(Koruna)	46.0004	29.6290	20.7001	28.7218
Slovenia	(Tolar)	201.356	129.679	90.7418	125.906
Solomon Is	($)	5.3447	3.4424	2.4051	3.3372
Somali Rep	(Shilling)	4067.81	2620.00	1830.50	2539.87
South Africa	(Rand)	5.6599	3.6455	2.5470	3.5340
Spain	(Peseta)	188.355	121.320	84.7621	117.609
Spanish Ports in N Africa	(Sp Peseta)	188.355	121.320	84.7621	117.609
Sri Lanka	(Rupee)	83.0815	53.5000	37.3786	51.8537
Sudan Rep	(Dinar)	128.090	82.5000	57.6699	79.9767
Suriname	(Guilder)	652.092	420.000	293.440	407.154
Swaziland	(Lilangeni)	5.6599	3.6455	2.5470	3.5340
Sweden	(Krona)	10.2694	6.6174	4.6303	6.4247
Switzerland	(Fr)	1.7885	1.1517	0.8040	1.1155
Syria	(£)	65.0538	41.9000	29.2741	40.6185
Taiwan	($)	42.3645	27.2870	19.0645	26.4594
Tanzania	(Shilling)	853.930	550.000	384.268	533.178
Thailand	(Baht)	39.1088	25.1900	17.5894	24.4196
Togo Rep	(CFA Fr)	759.280	489.050	341.682	474.092
Tonga Is	(Pa'anga)	2.0872	1.3443	0.9392	1.3032
Trinidad/Tobago	($)	9.8654	6.2100	3.8894	5.3954
Tunisia	(Dinar)	1.4723	0.9483	0.6625	0.9193
Turkey	(Lira)	84550.4	60000.0	42548.7	59037.4
Turks & Caicos	(US $)	1.5526	1	0.6987	0.9694
Tuvalu	(Australian $)	2.0872	1.3443	0.9392	1.3032
Uganda	(New Shilling)	1560.36	1005.00	702.159	974.262
Ukraine	(Karbovanets)	278536.4	179400.0	125340.0	173913.0
U A E	(Dirham)	5.7023	3.6729	2.5661	3.5608
United Kingdom	(£)	1	0.6441	0.4500	0.6244
United States	(US $)	1.5526	1	0.6987	0.9694
Uruguay	(Peso Uruguayo)	10.5788	7.0700	4.9398	6.8538
Vanuatu	(Vatu)	177.224	114.150	79.7527	110.659
Vatican	(Lira)	2463.04	1586.45	1108.40	1537.93
Venezuela	(Bolivar) (1)	449.872o	289.825	202.551	280.757
Venezuela	(Bolivar) (1)	527.154m	339.541	237.229	329.158
Vietnam	(Dong)	17095.7	11011.0	7693.01	10674.2
Virgin Is–British	(US $)	1.5526	1	0.6987	0.9694
Virgin Is–US	(US $)	1.5526	1	0.6987	0.9694
Western Samoa	(Tala)	3.9177	2.5235	1.7629	2.4461
Yemen (Rep of)	(Rial)	77.6300o	50.0000	34.9303	48.4708
Yemen (Rep of)	(Rial)	217.364r	140.000	97.8132	135.715
Yugoslavia	(New Dinar)	7.3508(2)	4.7345	3.3078	4.5897
Zaire Rep	(Zaire)	10494.8	10524.0	7423.82	10299.1
Zambia	(Kwacha)	1499.33	965.690	674.894	936.154
Zimbabwe	($)	14.4663	9.3166	6.5107	9.0337

Special Drawing Rights December 29, 1995 Utd Kingdom £0.958616 Utd States $1.48735 Germany DM2.13137 Japan Y152.974 European Currency Unit Rates December 29, 1995 Utd Kingdom £0.847242 Utd States $1.31424 Germany DM1.88897 Japan Y135.590

Abbreviations: (a) Free rate; (m) Market rate; (o) Official rate; (r) Parallel rate (t) Tourist rate (u) Currency fixed against the US Dollar (v) Floating rate (1) Venezuelan Official rate devalued on 11/12/95. Market rate derived from Brady bond trading. (2) Yugoslavian Dinar devalued on 26/11/95; Some data derived from THE WM/REUTERS CLOSING SPOT RATES & Bank of America, Economics Department, London Trading Centre. Enquiries: 0171 634 4365.
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Friday, December 29, 1995

COMMODITIES AND AGRICULTURE

YEAR IN THE MARKETS

Copper ends 1995 in retreat

The London Metal Exchange copper market ended 1995 with its tail between its legs yesterday after another big increase in exchange warehouse stocks was announced.

The 17,725-tonne stocks rise took the total to 296,425 tonnes, more than double the low reached in July and nearly back to the level at which it started the year. In response the three months delivery price on the LME was traded down $26.50 to $2,650 a tonne, equalling the 1995 low reached in October. It recovered to $2,658.50 a tonne, but that was still down $33 on the shortened week and $344 on the year.

Traders told the Reuters news agency that further losses were likely early in the new year.

Other LME contracts held up relatively well yesterday. Three months aluminium ended $1 up at $1,704.50 a tonne, $10.25 above the pre-Christmas level, but down $261 on the year. LME aluminium stocks were up 8,575 tonnes at 584,425, but that was still 65 per cent down on the year – thanks largely to the multilateral "memorandum of understanding" under which leading producers have been restraining production.

Three months nickel fell $17.50 yesterday to end a lacklustre week $147.50 lower at $8,045 a tonne, down $850 on the year. LME stocks of the metal fell marginally, however, to 44,892 tonnes, down 70 per cent on the year, and analysts were warning consumers that the market was likely to remain very tight for another couple of years. William Adems of Rudolf Wolff suggested that the three months price might average $9,000 a tonne next year, 11 per cent above the 1995 average.

LME lead stocks were also down sharply on the year, by 31 per cent, and that was reflected in the three months price's net gain of $53.50 to $716 a tonne. The market was helped by the hot northern hemisphere summer and is now being buoyed by the exceptionally cold winter, both of which are hard on motor vehicle batteries, which represent lead's biggest end-use.

Among the precious metals, gold had a very dull year, with the London bullion market price mostly trading between $370 and $390 a troy ounce. It closed yesterday at $387.05, up just $2.75 on the year. Silver and platinum were livelier, the former ending 23 cents up on balance at $5.14½ an ounce, and the latter down $20.50 at $398.25 an ounce, the lowest since mid-1994.

At the London Commodity Exchange cocoa prices ended the year modestly lower as producers failed to convince the market of their determination to restrain production. Consumers and traders pointed out that by overstating potential output the producers were able to keep within target ranges without actually holding back production.

Similarly, coffee producers were unable to persuade the market that their export retention scheme would prevent a resurgence of supply from the low level resulting this year from 1994's frosts and drought in Brazil. Despite nearby supply tightness that drove prompt futures positions to big premiums, or "backwardations", nearby positions fell by 40 per cent over the year.

Oil prices on London's International Petroleum exchange edged up on rising demand in the first half of the year but attempts to push decisively past the $18-a-barrel mark were frustrated by increases in non-Opec production and concern about the possibility of Iraqi oil returning to the world market.

Richard Mooney

LME WAREHOUSE STOCKS
(As at Thursday's close)
tonnes

Aluminium	+8,575	to 584,425
Aluminium alloy	+1,740	to 62,600
Copper	+17,725	to 296,425
Lead	-425	to 132,250
Nickel	-60	to 44,892
Zinc	-3,000	to 664,700
Tin	+50	to 12,005

WEEKLY PRICE CHANGES

	Latest prices	Change on week	Year ago	1995 High	1995 Low
Gold per troy oz.	$387.05	-0.35	$382.75	$394	$373
Silver per troy oz	331.30p	-2.20	312.00p	375.50p	267.90p
Aluminium 99.7% (cash)	$1682.5	+14	$1951.5	$2149.5	$1609.5
Copper Grade A (cash)	$2626.0	-35.0	$3039.5	$3216.0	$2702.5
Lead (cash)	$717.5	-11.0	$650.5	$788.0	$636.5
Nickel (cash)	$7930.0	-145.0	$8865.0	$10160	$6947.5
Zinc SHG (cash)	$1004.00	-7.25	$1134.5	$1208.5	$968.5
Tin (cash)	$6335.0	+105.0	$6015.0	$7175.0	$5095.0
Cocoa Futures Mar	$899		$971	$1050	$830
Coffee Futures Jan	$2008	-22	$2822	$3297	$2074
Sugar (LDP Raw)	$311.5	+1.3	$362	$378.1	$289.2
Barley Futures Jan	$115.00	+0.50	$105.80	$120.0	$102.0
Wheat Futures Jan	$124.00	+0.35	$109.80	$128.0	$111.0
Cotton Outlook A Index	86.50c	-0.45	N/A	116.30c	85.05c
Wool (64s Super)	440p		478	532p	420p
Oil (Brent Blend)	$16.30w	+0.34	$16.485	$19.01	$15.05

Per tonne unless otherwise stated. p Pence/kg. c Cents lb. w Feb.

BASE METALS

LONDON METAL EXCHANGE

(Prices from Amalgamated Metal Trading)

■ ALUMINIUM, 99.7 PURITY ($ per tonne)

	Cash	3 mths
Close	1682-3	1704-5
Previous	1679-80	1703-4
High/low		1707/1696
AM Official	1674-5	1697-7.5
Kerb close		1706-7
Open int.	228,315	
Total daily turnover	39,135	

■ ALUMINIUM ALLOY ($ per tonne)

	Cash	3 mths
Close	1470-80	1510-20
Previous	1450-60	1490-500
High/low		1515/1506
AM Official	1455-65	1490-5
Kerb close		1500-10
Open int.	5,138	
Total daily turnover	780	

■ LEAD ($ per tonne)

	Cash	3 mths
Close	717-8	715.5-6.5
Previous	719-200	717-8
High/low	715	717/713
AM Official	714-5	712-3
Kerb close		712-3
Open int.	32,489	
Total daily turnover	8,822	

■ NICKEL ($ per tonne)

	Cash	3 mths
Close	7925-35	8040-50
Previous	7940-50	8060-65
High/low		8090/8010
AM Official	7930-35	8055-60
Kerb close		8000-10
Open int.	38,141	
Total daily turnover	12,765	

■ TIN ($ per tonne)

	Cash	3 mths
Close	6330-40	6395-40
Previous	6275-85	6295-300
High/low		6325/6280
AM Official	6275-80	6299-300
Kerb close		6320-25
Open int.	13,630	
Total daily turnover	3,372	

■ ZINC, special high grade ($ per tonne)

	Cash	3 mths
Close	1003.5-4.5	1026-7
Previous	1010.5-1.5	1034-5
High/low	1001/1000	1030/1021
AM Official	1001-1.5	1025-5.5
Kerb close		1023-4
Open int.	80,424	
Total daily turnover	22,929	

■ COPPER, grade A ($ per tonne)

	Cash	3 mths
Close	2625-7	2658-9
Previous	2642-7	2676-7
High/low	2805/2795	2670/2650
AM Official	2795-7	2650-2
Kerb close		2659-60
Open int.	164,251	
Total daily turnover	81,594	

■ LME AM Official £/$ rate: 1.5520
LME Closing £/$ rate: 1.5532

Spot: 1.5530 3 mths: 1.5499 6 mths: 1.5471 9 mths: 1.5436

■ HIGH GRADE COPPER (COMEX)

	Sett price	Day's change	High	Low	Vol	Open int
Jan	126.10	-0.70	126.80	125.50	440	2,735
Feb	123.55	-0.75	124.00	123.40	7	1,086
Mar	120.55	-1.20	121.75	120.25	2,839	17,207
Apr	119.15	-1.25	119.70	119.30	5	636
May	117.75	-1.20	118.50	117.60	114	3,157
Jun	116.90	-1.15	-	-	9	512
Total					3,478	33,727

PRECIOUS METALS

■ LONDON BULLION MARKET
(Prices supplied by N M Rothschild)

Gold(Troy oz)	$ price	£ equiv	SFr equiv
Close	386.90-387.20		
Opening	386.60-90		
Morning fix	386.70	250.129	444.705
Afternoon fix	-	-	-
Day's High	386.75-387.05		
Day's Low	386.50-386.80		
Previous close	386.70-387.20		

Loco Ldn Mean Gold Lending Rates (Vs US$)

1 month ....3.08 6 months 3.08
2 months ....3.03 12 months 3.07
3 months 2.99

Silver Fix	p/troy oz.	US cts equiv.
Spot	331.30	514.20
3 months	335.80	520.20
6 months	340.40	526.05
1 year	348.20	537.45

Gold Coins	$ price	£ equiv.
Krugerrand	390-391	251-252
Maple Leaf	397.70-400.20	
New Sovereign	90-92	58-59

Precious Metals continued

■ GOLD COMEX (100 Troy oz.; $/troy oz.)

	Sett price	Day's change	High	Low	Vol	Open int
Feb	388.1	+0.3	388.3	386.7	8,803	83,480
Apr	390.1	+0.3	390.0	388.9	406	15,671
Jun	392.2	+0.3	392.6	391.6	613	23,646
Aug	394.3	+0.3	-	-	10	4,504
Oct	396.4	+0.3	396.0	395.7	30	3,381
Dec	398.6	+0.3	398.5	397.3	22	10,582
Total					9,886	144,233

■ PLATINUM NYMEX (50 Troy oz.; $/troy oz.)

	Sett price	Day's change	High	Low	Vol	Open int
Jan	398.2	-1.0	400.0	397.0	2,863	2,994
Apr	401.9	+0.3	402.0	399.0	9,693	15,922
Jul	403.6	+0.5	405.0	402.5	79	2,353
Oct	405.3	+0.7	406.0	403.5	193	1,287
Jan	406.9	+0.7	406.0	406.0	25	52
Total					12,853	22,608

■ PALLADIUM NYMEX (100 Troy oz.; $/troy oz.)

	Sett price	Day's change	High	Low	Vol	Open int
Mar	129.85	+0.85	130.00	128.80	291	5,492
Jun	131.15	+0.85	-	131.50	12	634
Dec	133.85	+0.85	-	-	-	5
Total					303	6,129

■ SILVER COMEX (5,000 Troy oz.; Cents/troy oz.)

	Sett price	Day's change	High	Low	Vol	Open int
Jan	518.3	+4.2	530.0	509.0	47	28
Mar	520.7	+3.5	522.0	512.5	6,139	60,102
May	525.3	+3.5	527.0	518.0	234	8,943
Jul	529.6	+3.5	528.0	520.5	107	7,569
Sep	533.8	+3.5	529.5	529.5	135	6,888
Dec	540.1	+3.8	538.0	538.0	230	5,249
Total					6,894	95,724

ENERGY

■ CRUDE OIL NYMEX (42,000 US galls. $/barrel)

	Latest price	Day's change	High	Low	Vol	Open int
Feb	19.45	+0.09	19.53	19.27	25,823	84,586
Mar	18.98	+0.06	19.05	18.83	13,038	44,876
Apr	18.58	+0.02	18.67	18.49	7,433	29,250
May	18.24	-0.08	18.38	18.20	2,226	15,469
Jun	18.06	-0.03	18.15	18.03	2,563	34,669
Jul	17.89	-0.04	18.02	17.89	582	16,472
Total					55,879	350,798

■ CRUDE OIL IPE ($/barrel)

	Sett price	Day's change	High	Low	Vol	Open int
Feb	18.33	+0.08	18.47	18.32	6,807	65,970
Mar	17.79	+0.04	17.82	17.78	3,054	29,986
Apr	17.38	+0.03	17.49	17.38	585	13,490
May	17.08	+0.05	17.17	17.10	37	6,637
Jun	16.86	+0.06	16.86	16.87	242	10,565
Jul	16.70	+0.07	16.74	16.70	22	4,972
Total					10,886	140,504

■ HEATING OIL NYMEX (42,000 US galls.; c/US galls.)

	Latest price	Day's change	High	Low	Vol	Open int
Jan	58.50	-1.82	61.20	58.20	29,759	10,893
Feb	58.25	-0.90	59.75	58.15	30,008	61,083
Mar	55.60	-0.39	56.50	55.35	7,586	22,798
Apr	52.15	-0.08	52.40	51.90	1,723	5,445
May	49.90	-0.04	50.30	49.70	1,079	6,978
Jun	48.95	+0.06	49.00	48.50	478	8,112
Total					71,802	132,837

■ GAS OIL IPE ($/tonne)

	Sett price	Day's change	High	Low	Vol	Open int
Jan	179.75	+1.50	180.25	179.00	4,894	21,771
Feb	173.75	+1.00	174.25	173.50	2,921	27,030
Mar	167.25	+1.50	167.50	167.00	1,080	8,191
Apr	161.00	+0.75	161.50	160.75	498	4,058
May	158.00	+1.00	158.50	158.00	136	1,485
Jun	158.00	+0.50	157.00	158.00	151	5,723
Total					4,104	86,732

■ NATURAL GAS NYMEX (10,000 mmBtu.; $/mmBtu.)

	Latest price	Day's change	High	Low	Vol	Open int
Feb	2.615	+0.106	2.690	2.488	22,306	38,025
Mar	2.180	+0.045	2.260	2.125	7,818	23,700
Apr	1.885	-0.001	1.910	1.870	2,904	16,153
May	1.790	+0.004	1.805	1.770	1,088	13,064
Jun	1.740	-0.006	1.760	1.735	912	10,874
Jul	1.730	-0.001	1.740	1.720	802	8,122
Total					38,814	163,771

■ UNLEADED GASOLINE
NYMEX (42,000 US galls.; c/US galls.)

	Latest price	Day's change	High	Low	Vol	Open int
Jan	58.95	-0.33	60.20	58.30	14,501	5,997
Feb	58.20	+0.13	58.80	57.70	13,566	27,979
Mar	58.75	+0.11	57.20	58.30	4,069	11,183
Apr	58.20	+0.10	58.85	58.05	1,402	5,885
May	57.60	+0.10	58.00	57.30	481	5,094
Jun	56.75	+0.05	57.00	56.70	271	2,742
Total					34,715	62,836

GRAINS AND OIL SEEDS

■ WHEAT LCE (£ per tonne)

	Sett price	Day's change	High	Low	Vol	Open int
Jan	124.00	+0.80	123.00	122.90	-	463
Mar	126.10	+0.75	126.00	125.85	25	2,559
May	128.00	+0.50	128.25	128.00	66	3,373
Jul	129.50	+0.40	129.90	129.90	2	414
Sep	113.85	+0.85	114.00	114.00	5	75
Nov	116.15	+0.60	116.00	116.00	-	980
Total					101	7,802

■ WHEAT CBT (5,000bu min; cents/60lb bushel)

	Sett price	Day's change	High	Low	Vol	Open int
Mar	512.25	+2.75	514.50	510.00	11,240	54,637
May	479.00	+3	480.50	477.00	1,726	8,678
Jul	436.75	+1	442.50	438.00	3,037	28,427
Sep	439.25	-0.75	442.00	438.50	191	5,315
Dec	448.00	+1.25	448.00	445.00	199	2,356
Jul	392.00	-	393.00	390.00	-	76
Total					16,488	98,489

■ MAIZE CBT (5,000 bu min; cents/56lb bushel)

	Sett price	Day's change	High	Low	Vol	Open int
Mar	369.25	+5.5	370.50	367.30	33,477	269,783
May	371.50	+4.75	372.75	370.00	9,712	76,298
Jul	367.75	+5	369.00	366.00	9,200	73,495
Sep	312.75	+3.75	313.00	311.00	3,065	18,623
Dec	294.75	+2.5	295.75	293.60	3,546	38,484
Mar	300.00	+2	300.25	298.75	89	2,033
Total					59,173	497,725

■ BARLEY LCE (£ per tonne)

	Sett price	Day's change	High	Low	Vol	Open int
Jan	115.00	+1.00	114.75	114.75	4	330
Mar	117.00	+0.50	-	-	-	851
May	118.40	-	-	-	-	410
Sep	109.25	-	-	-	-	20
Nov	111.00	-	-	-	-	61
Total					4	1,682

■ SOYABEANS CBT (5,000bu min; cents/60lb bushel)

	Sett price	Day's change	High	Low	Vol	Open int
Jan	735.25	+11.25	738.50	731.80	21,006	19,922
Mar	744.75	+10.5	748.50	741.50	28,981	100,056
May	748.75	+10.8	752.50	746.50	2,718	21,708
Jul	749.50	+9.75	752.00	745.50	3,193	28,828
Aug	742.75	+8.75	746.50	742.50	359	1,953
Sep	722.00	+8.5	722.00	719.00	168	2,120
Total					58,162	197,788

■ SOYABEAN OIL CBT (60,000lbs; cents/lb)

	Sett price	Day's change	High	Low	Vol	Open int
Jan	24.97	+0.01	25.19	24.95	10,855	7,471
Mar	25.35	-0.02	25.60	25.33	9,229	38,989
May	25.73	-	25.98	25.70	1,348	12,124
Jul	25.97	-	26.22	25.98	720	10,086
Aug	26.06	+0.01	26.28	26.05	32	2,495
Sep	26.25	+0.06	26.35	26.25	22	979
Total					22,241	77,866

■ SOYABEAN MEAL CBT (100 tons; $/ton)

	Sett price	Day's change	High	Low	Vol	Open int
Jan	233.2	+0.1	234.7	232.5	9,105	10,052
Mar	236.6	+4.5	239.0	236.2	10,825	57,394
May	238.5	+4.1	239.0	236.0	2,775	12,533
Jul	235.3	+3.6	237.5	235.0	1,293	13,078
Aug	232.7	+2.8	235.0	232.5	34	1,901
Sep	227.0	+2.8	230.0	227.5	10	1,507
Total					24,294	108,508

■ POTATOES LCE (£/tonne)

	Sett price	Day's change	High	Low	Vol	Open int
Mar	270.0	-		-	-	-
Apr	237.8	-5.5	244.0	238.0	6	1,100
May	273.0	-2.8	-	-	-	9
Jun	325.0	-		-	-	-
Total					6	1,137

■ FREIGHT (BIFFEX) LCE ($10/index point)

	Sett price	Day's change	High	Low	Vol	Open int
Jan	1565	-8	1585	1580	13	1,069
Feb	1556	-15	1565	1555	1	210
Apr	1525	-8	1530	1525	11	1,358
Jul	1333	-12	-	-	-	890
Oct	1420	-10	1420	1420	1	209
Jan	1450	-65	-	-	-	22
Total					26	3,878

	Close	Prev
BFI	1604	1610

FUTURES DATA
All futures data supplied by CMS.

Spices
After an interesting year the spice markets ended rather quiet and inactive. Black and white pepper prices steadied further this week but most exporters had already closed their books. Man-Producten of Rotterdam wishes everybody in the spice business a healthy, prosperous and spicy new year.

SOFTS

■ COCOA LCE (£/tonne)

	Sett price	Day's change	High	Low	Vol	Open int
Mar	898	+3	902	896	1,079	36,339
May	920	+3	922	916	320	14,611
Jul	940	+5	940	938	55	7,686
Sep	958	+5	960	958	185	20,318
Dec	978	+4	978	975	87	7,387
Mar	989	-3	996	989	487	19,652
Total					2,282	118,681

■ COCOA CSCE (10 tonnes; $/tonnes)

	Sett price	Day's change	High	Low	Vol	Open int
Mar	1258	+5	1260	1251	2,380	36,938
May	1284	+6	1286	1276	784	16,659
Jul	1310	+5	1308	1300	145	5,607
Sep	1330	+4	1331	1328	96	9,548
Dec	1362	+8	1362	1352	9	8,087
Mar	1382	-1	1385	1382	425	5,030
Total					3,846	83,363

■ COCOA (ICCO) (SDR's/tonne)

Dec 29	Price	Prev. day
Daily	908.13	908.68

■ COFFEE LCE ($/tonne)

	Sett price	Day's change	High	Low	Vol	Open int
Jan	2008	-35	2050	2005	636	4,284
Mar	1755	+12	1755	1740	1,020	14,943
May	1631	-2	1645	1625	196	7,245
Jul	1571	-17	1585	1570	107	3,127
Sep	1555	-26	1598	1555	86	1,406
Nov	1543	-35	1580	1535	47	373
Total					2,380	31,382

■ COFFEE 'C' CSCE (37,500lbs; cents/lbs)

	Sett price	Day's change	High	Low	Vol	Open int
Mar	94.90	+1.00	96.00	93.80	4,465	18,898
May	93.75	+0.65	94.15	93.00	747	4,644
Jul	94.00	+1.10	94.40	93.00	231	1,908
Sep	93.90	+1.60	94.30	93.25	71	1,222
Dec	94.00	+1.50	94.00	93.25	31	733
Mar	95.00	+2.10	94.00	93.50	7	216
Total					5,588	27,933

■ COFFEE (ICO) (US cents/pound)

Dec 28	Price	Prev. day
Comp. daily	92.75	93.96
15 day average	96.84	98.08

■ No7 PREMIUM RAW SUGAR LCE (cents/lbs)

	Sett price	Day's change	High	Low	Vol	Open int
Mar	10.90	-	-	-	-	-
May	11.19	-	-	-	-	-
Jul	11.19	-	-	-	-	-
Oct	11.19	-	-	-	-	-
Total						

■ WHITE SUGAR LCE ($/tonne)

	Sett price	Day's change	High	Low	Vol	Open int
Mar	353.8	+1.9	354.0	351.3	396	14,340
May	342.3	+2.0	342.2	340.0	190	7,195
Aug	332.9	+1.6	332.9	331.0	221	3,684
Oct	309.3	+1.9	309.1	307.5	16	3,714
Dec	303.8	+1.9	303.7	303.7	1	1,619
Mar	302.0	+1.9	302.1	301.5	15	384
Total					886	31,585

■ SUGAR '11' CSCE (112,000lbs; cents/lbs)

	Sett price	Day's change	High	Low	Vol	Open int
Mar	11.60	+0.04	11.62	11.51	2,695	61,664
May	11.22	+0.04	11.22	11.14	1,868	28,290
Jul	10.45	+0.02	10.47	10.40	633	16,897
Oct	10.19	+0.02	10.19	10.13	320	19,164
Mar	9.98	-0.01	9.99	9.92	288	11,968
May	10.00	+0.13	10.00	9.96	13	1,659
Total					5,598	159,249

■ COTTON NYCE (50,000lbs; cents/lbs)

	Sett price	Day's change	High	Low	Vol	Open int
Mar	81.05	-0.40	81.86	80.75	2,969	28,658
May	80.47	-0.38	81.25	80.35	816	9,829
Jul	79.98	-0.32	80.70	79.90	275	7,104
Oct	78.70	+0.30	78.70	78.10	11	1,821
Dec	76.57	+0.32	76.80	76.15	190	9,770
Mar	77.55	+0.27	-	-	-	950
Total					4,301	57,889

■ ORANGE JUICE NYCE (15,000lbs; cents/lbs)

	Sett price	Day's change	High	Low	Vol	Open int
Jan	117.00	+0.25	117.00	115.90	1,622	4,100
Mar	120.55	-0.20	120.85	119.65	1,668	11,815
May	123.55	-0.45	123.80	122.80	172	1,767
Jul	126.60	-0.30	127.00	126.00	10	690
Sep	129.40	-0.10	129.80	128.90	51	989
Nov	127.95	-0.80	-	-	10	323
Total					3,492	20,988

VOLUME DATA
Open Interest and Volume data shown for contracts traded on COMEX, NYMEX, CBT, NYCE, CME and CSCE are one day in arrears.

INDICES

■ REUTERS (Base: 18/9/31=100)

Dec 29	Dec 28	month ago	year ago
2082.2	2085.1	2151.4	2240.8

■ CRB Futures (Base: 1967=100)

Dec 28	Dec 27	month ago	year ago
242.88	244.33	-	-

■ GSCI Spot (Base: 1970=100)

Dec 28	Dec 27	month ago	year ago
201.89	205.79	188.25	179.69

MEAT AND LIVESTOCK

■ LIVE CATTLE CME (40,000lbs; cents/lbs)

	Sett Price	Day's change	High	Low	Vol	Open int
Feb	66.425	-0.325	66.550	66.050	6,325	30,842
Apr	66.375	-0.425	66.550	66.075	1,890	16,842
Jun	62.100	-0.525	62.225	61.800	733	9,216
Aug	61.025	-0.550	61.350	60.825	438	3,931
Oct	62.750	-0.500	62.950	62.450	172	3,457
Dec	63.375	-0.505	63.550	63.100	136	1,575
Total					9,587	65,867

■ LIVE HOGS CME (40,000lbs; cents/lbs)

	Sett Price	Day's change	High	Low	Vol	Open int
Feb	48.575	-1.500	48.575	48.575	2,293	14,969
Apr	47.950	-1.500	47.950	47.950	1,372	6,808
Jun	53.200	-1.500	53.200	53.200	873	5,710
Jul	52.325	-1.500	52.325	52.325	413	2,801
Aug	51.200	-1.500	51.200	51.200	312	2,273
Oct	45.775	-1.500	45.800	45.775	186	932
Total					5,626	33,635

■ PORK BELLIES CME (40,000lbs; cents/lbs)

	Sett Price	Day's change	High	Low	Vol	Open int
Feb	58.275	-2.000	58.275	58.275	1,444	4,468
Mar	58.100	-2.000	58.100	58.100	242	989
May	59.000	-2.000	59.000	59.000	62	539
Jul	60.100	-2.000	60.100	60.100	88	631
Aug	56.650	-2.000	56.650	56.650	9	168
Total					1,845	6,813

LONDON TRADED OPTIONS

Strike price $ tonne	Calls		Puts	
■ **ALUMINIUM (99.7%) LME**	Jan	Mar	Jan	Mar
1600	89	114	-	12
1700	7	49	16	45
1800	-	15	111	110
■ **COPPER (Grade A) LME**	Jan	Mar	Jan	Mar
2700	97	64	-	92
2800	17	31	21	158
2900	-	-	104	-
■ **COFFEE LCE**	Mar	May	Mar	May
1500	268	194	13	63
1550	227	163	22	82
1600	188	136	33	105
■ **COCOA LCE**	Mar	May	Mar	May
850	57	82	127	93
875	39	64	152	114
900	26	49	176	136
■ **BRENT CRUDE IPE**	Feb	Mar	Feb	Mar
1750	-	66	3	-
1800	-	43	-	-
1850	22	-	-	-

LONDON SPOT MARKETS

■ CRUDE OIL FOB (per barrel/Feb)

		+or-
Dubai	$17.01-7.12w	+0.005
Brent Blend (dated)	$18.71-8.73	+0.04
Brent Blend (Feb)	$18.29-8.31	-0.01
W.T.I. (1pm est)	$19.38-9.41w	-0.01

■ OIL PRODUCTS NWE prompt delivery CIF (tonne)

Premium Gasoline	$174-176	-1
Gas Oil	$185-186	+1
Heavy Fuel Oil	$110-112	+1
Naphtha	$162-164	-1
Jet fuel	$209-211	+1
Diesel	$167-169	+1

Petroleum Argus. Tel. London (0171) 359 8792

■ OTHER

Gold (per troy oz)‡	$387.05	+0.10
Silver (per troy oz)‡	514.5c	
Platinum (per troy oz.)	$398.25	-4.25
Palladium (per troy oz.)	$127.50	-0.75
Copper	125.0c	
Lead (US prod.)	41.75c	
Tin (Kuala Lumpur)	15.29m	+0.40
Tin (New York)	297.5c	
Cattle (live weight)†	124.29p	+0.35*
Sheep (live weight)†♦	127.77p	+5.86*
Pigs (live weight)†	120.98p	+9.85*
Lon. day sugar (raw)	$311.5	+0.5
Lon. day sugar (wte)	$372.0	+2.5
Barley (Eng. feed)	£117.75	
Maize (US No3 Yellow)	151.0z	
Wheat (US Dark North)	Unq	
Rubber (Jan)▼	107.50p	+1.00
Rubber (Feb)▼	107.50p	+1.00
Rubber (KL RSS No1)	396.0m	+1.0
Coconut Oil (Phil)§	$725.0y	
Palm Oil (Malay.)§	$580.0z	
Copra (Phil)§	464.0u	
Soyabeans (US)	211.0	
Cotton Outlook'A' Index	86.50c	-0.45
Wooltops (64s Super)	440p	

£ per tonne unless otherwise stated. p pence/kg. c cents/lb. r ringgit/kg. m Malaysian cents/kg. z Jan. u Dec/Jan.▼ w Feb. y Jan/Feb. x Oct/Dec London Physical. § CIF Rotterdam. ‡ Bullion market close. ♦ Sheep (Live weight prices). * Change on week † Prices are for previous day.

WORLD BOND PRICES

BENCHMARK GOVERNMENT BONDS

		Coupon	Red Date	Price	Day's change	Yield	Week ago	Month ago
Australia		10.000	02/06	110.1800	-	8.48	8.35	8.50
Austria		8.500	11/05	100.8500	+0.[illegible]	6.38	6.43	6.78
Belgium		8.500	03/05	98.7000	+0.050	6.69	6.75	6.80
Canada *		8.750	12/05	111.7500	+0.340	7.08	7.28	7.52
Denmark		8.000	03/06	105.3400	+0.140	7.24	7.37	7.57
France	BTAN	7.750	04/00	107.2700	+0.080	5.90	5.92	6.12
	OAT	7.750	10/05	107.8700	+0.070	6.64	6.70	6.97
Germany Bund		6.500	10/05	103.3700	-0.010	6.03	6.09	6.30
Ireland		6.250	10/04	92.4000	-0.050	7.45	7.55	7.73
Italy		10.500	09/05	99.3600	+0.160	10.60†	10.86	11.30
Japan	No 129	6.400	03/00	118.5750	-0.200	1.67	1.41	1.42
	No 174	4.600	09/04	111.6180	-0.120	2.90	2.66	2.76
Netherlands		6.750	11/05	105.2100	+0.070	6.03	6.11	6.35
Portugal		11.875	02/05	111.9500	-0.090	9.82	9.94	10.77
Spain		10.150	01/06	101.8800	-0.040	9.72	9.83	10.57
Sweden		6.000	02/05	84.8500	+0.281	8.45	8.68	9.06
UK Gilts		8.000	12/00	104-28	-3/32	6.81	6.85	7.13
		8.500	12/05	107-16	+2/32	7.42	7.51	7.73
		9.000	10/08	111-16	+1/32	7.57	7.66	7.85
US Treasury *		5.875	11/05	102-00	+9/32	5.61	5.71	5.90
		6.875	08/25	112-04	-	5.98	6.07	6.23
ECU (French Govt)		7.500	04/05	103.4200	-0.010	6.96	7.02	7.38

London closing. *New York mid-day Yields: Local market standard.
† Gross (including withholding tax at 12.5 per cent payable by nonresidents)
Prices: US, UK in 32nds, others in decimal Source: MMS International

US INTEREST RATES

Latest		Treasury Bills and Bond Yields			
		One month	4.81	Two year	5.17
Prime rate	8½	Two month	4.92	Three year	5.22
Broker loan rate	7¾	Three month	5.01	Five year	5.38
Fed.funds	5⅞	Six month	5.12	10-year	5.59
Fed.funds at intervention	-	One year	5.15	30-year	5.88

BOND FUTURES AND OPTIONS

France

■ NOTIONAL FRENCH BOND FUTURES (MATIF) FFr500,000

	Open	Sett price	Change	High	Low	Est. vol.	Open int.
Mar	120.42	120.16	-0.20	120.58	120.16	18,574	117,054
Jun	120.86	120.60	+0.06	120.84	120.60	604	4,522
Sep	120.00	118.74	+0.06	120.00	120.00	2	615

■ LONG TERM FRENCH BOND OPTIONS (MATIF)

Strike Price	Calls Jan	Calls Mar	Calls Jun	Puts Jan	Puts Mar	Puts Jun
118	-	2.52	-	0.12	0.38	0.74
119	-	1.77	-	0.25	0.62	1.01
120	0.77	1.14	1.95	0.55	0.97	1.38
121	0.30	0.67	1.45	1.10	-	-
122	0.08	0.35	-	-	-	-

Est. vol. total, Calls 4,393 Puts 4,113. Previous day's open int., Calls 114,950 Puts 109,526.

Germany

■ NOTIONAL GERMAN BUND FUTURES (LIFFE)* DM250,000 100ths of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Mar	98.32	99.34	+0.10	99.40	99.24	9638	189694
Jun	-	98.68	+0.10	-	-	0	2069

■ BUND FUTURES OPTIONS (LIFFE) DM250,000 points of 100%

Strike Price	Calls Feb	Calls Mar	Calls Apr	Calls Jun	Puts Feb	Puts Mar	Puts Apr	Puts Jun
9900	0.70	0.97	0.83	1.14	0.36	0.63	1.15	1.46
9950	0.42	0.70	0.62	0.92	0.58	0.86	1.44	1.74
10000	0.24	0.49	0.45	0.73	0.90	1.15	1.77	2.05

Est. vol. total, Calls 4040 Puts 3933. Previous day's open int., Calls 145716 Puts 125120

Italy

■ NOTIONAL ITALIAN GOVT. BOND (BTP) FUTURES (LIFFE)* Lira 200m 100ths of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Mar	108.00	108.00	+0.22	108.16	107.92	6987	51397
Jun	107.70	107.50	+0.22	107.70	107.50	107	1273

■ ITALIAN GOVT. BOND (BTP) FUTURES OPTIONS (LIFFE) Lira200m 100ths of 100%

Strike Price	Calls Mar	Calls Jun	Puts Mar	Puts Jun
10800	1.55	2.31	1.55	2.81
10850	1.31	2.09	1.81	3.06
10900	1.09	1.88	2.09	3.38

Est. vol. total, Calls 112 Puts 138. Previous day's open int., Calls 42814 Puts 30703

Spain

■ NOTIONAL SPANISH BONO FUTURES (MEFF)

	Open	Sett price	Change	High	Low	Est. vol.	Open int.
Mar	95.70	95.51	-0.03	95.70	95.48	8,566	46,808

UK

■ NOTIONAL UK GILT FUTURES (LIFFE)* £50,000 32nds of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Mar	110-27	110-27	+0-03	110-30	110-24	3240	132260
Jun	-	110-08	+0-03	-	-	0	0

■ LONG GILT FUTURES OPTIONS (LIFFE) £50,000 64ths of 100%

Strike Price	Calls Feb	Calls Mar	Calls Apr	Calls Jun	Puts Feb	Puts Mar	Puts Apr	Puts Jun
110	1-20	1-49	1-47	2-16	0-30	0-59	1-29	1-62
111	0-45	1-10	1-17	1-51	0-55	1-20	1-63	2-33
112	0-22	0-47	0-57	1-26	1-32	1-57	2-39	3-08

Est. vol. total, Calls 461 Puts 25. Previous day's open int., Calls 15726 Puts 14812

Ecu

■ ECU BOND FUTURES (MATIF) ECU100,000

	Open	Sett price	Change	High	Low	Est. vol.	Open int.
Mar	90.56	90.14	+0.04	90.38	90.24	1,356	6,696

US

■ US TREASURY BOND FUTURES (CBT) $100,000 32nds of 100%

	Open	Sett price	Change	High	Low	Est. vol.	Open int.
Mar	121-06	121-15	+0-11	121-20	121-01	70,751	368,447
Jun	120-22	121-02	+0-11	121-06	120-22	2,982	17,278
Sep	120-14	120-16	+0-11	120-20	120-14	1,310	5,474

Japan

■ NOTIONAL LONG TERM JAPANESE GOVT. BOND FUTURES (LIFFE) Y100m 100ths of 100%

	Open	Close	Change	High	Low	Est. vol	Open int.
Mar	119.60	-	-	119.60	119.43	425	0

* LIFFE futures also traded on APT. All Open Interest figs. are for previous day.

FT-ACTUARIES FIXED INTEREST INDICES

UK Gilts Price Indices	Fri Dec 29	Day's change %	Thu Dec 28	Accrued interest	xd adj yield
1 Up to 5 years (23)	123.30	+0.02	123.28	2.02	10.77
2 5-15 years (21)	150.62	+0.02	150.59	1.91	12.47
3 Over 15 years (9)	168.40	+0.06	168.30	2.82	13.26
4 Irredeemables (6)	193.28	+0.24	192.82	1.27	14.71
5 All stocks (58)	145.47	+0.03	145.42	2.10	12.12

Index-linked	Fri Dec 29	Day's change %	Thu Dec 28	Accrued interest	xd adj yield
6 Up to 5 years (1)	196.69	+0.05	196.59	1.63	6.37
7 Over 5 years (11)	188.82	+0.01	188.81	0.77	5.47
8 All stocks (12)	188.67	+0.01	188.65	0.78	5.58

Yields	Low coupon yield Dec 29	Dec 28	Yr ago	High	Low	Medium coupon yield Dec 29	Dec 28	Yr ago	High	Low	High coupon yield Dec 29	Dec 28	Yr ago	High	Low
5 yrs	6.89	6.86	8.71	8.75 (7/3)	6.82 (15/12)	6.91	6.86	8.70	8.76 (7/3)	6.82 (15/12)	6.97	6.94	8.89	8.94 (25/1)	6.90 (15/12)
15 yrs	7.61	7.61	8.56	8.66 (7/3)	7.56 (6/12)	7.65	7.66	8.71	8.80 (7/3)	7.59 (6/12)	7.72	7.72	8.80	9.03 (7/3)	7.67 (6/12)
20 yrs	7.69	7.70	8.51	8.62 (7/3)	7.62 (6/12)	7.73	7.72	8.71	8.80 (7/3)	7.65 (6/12)	7.77	7.79	8.82	8.95 (7/3)	7.73 (6/12)
Irred.†	7.78	7.79	8.53	8.66 (24/1)	7.77 (6/12)										

Index-linked	Inflation rate 5% Dec 29	Dec 28	Yr ago	High	Low	Inflation rate 10% Dec 29	Dec 28	Yr ago	High	Low
Up to 5 yrs	2.47	2.48	4.05	4.17 (10/1)	2.46 (27/12)	1.28	1.25	2.81	2.96 (10/1)	0.76 (14/9)
over 5 yrs	3.52	3.52	3.64	3.85 (9/3)	3.48 (6/12)	3.33	3.32	3.65	3.77 (9/3)	3.28 (6/12)

Average gross redemption yields are shown above. Coupon Bands: Low: 0%-7¾%; Medium: 8%-10¾%; High: 11% and over. † Flat yield. ytd Year to date.
Base values: UK Gilts indices 31/12/75 = 100.00 and Index-Linked 30/4/82 = 100.00. * 1995 highs and lows.

FT FIXED INTEREST INDICES

	Dec 29	Dec 28	Dec 27	Dec 22	Dec 21	Yr ago	High*	Low*
Govt. Secs. (UK)	95.84	95.92	95.75	95.42	95.38	90.87	96.22	90.22
Fixed Interest	114.75	114.83	114.32	114.23	114.34	109.55	116.04	108.77

* for 1995. Government Securities high since compilation: 127.40 (9/1/35), low 49.18 (3/1/75). Fixed Interest high since compilation: 133.87 (21/1/94), low 50.53 (3/1/75). Basis 100: Government Securities 15/10/26 and Fixed Interest 1928. SE activity indices rebased 1974.

GILT EDGED ACTIVITY INDICES

	Dec 28	Dec 27	Dec 22	Dec 21	Dec 20
Gilt Edged bargains	45.6	45.0	42.6	78.4	75.7
5-day average	57.1	66.1	73.7	81.0	83.2

UK GILTS PRICES

[illegible]

Prospective real redemption rate on projected inflation of (1) 10% and (2) 5%. (b) Figures in parentheses show RPI base for indexing (ie 8 months prior to issue) and have been adjusted to reflect rebasing of RPI to 100 in February 1987. Conversion factor 3.945. RPI for April 1995: 149.0 and for November 1995: 149.8.

Other Fixed Interest

[illegible]

● 'Tap' stock. ‡‡ Tax-free to non-residents on application. E Auction basis. xd Ex dividend. Closing mid-prices are shown in pounds per £100 nominal of stock.

FINANCIAL TIMES

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Saturday December 30 1995

A hard act to follow

For Anglo-Saxon investors, 1995 well merited the title of annus mirabilis. The Dow Jones Industrial Average finished with an astonishing rise of more than 30 per cent, while the FT-SE 100 index achieved a more modest, but nonetheless impressive, rise of just over 20 per cent. The US bond market, meantime, ended the year with the long yield falling back below 6 per cent on Thursday. The risk in 1996, after such a run, is of bull market fatigue – a condition in which stock and bond prices are more than usually vulnerable to bad news.

That is not to say that the bond market is inevitably due for a setback on the scale of February 1994. Then, monetary policy was shifting into tighter mode. Today, in contrast, the likelihood is that interest rates both in the US and the rest of the world will either stay on hold or continue to fall. In effect, the markets are reckoning that with growth slowing significantly, inflation poses no threat. Much money is riding on the assumption that nominal bond yields are returning to the low levels seen in the non-inflationary 1950s and early 1960s.

It is not an implausible story. The question is how readily it can be reconciled with fairly demanding valuations in equities. Control over global inflation has been won partly at the expense of consumer confidence, which has been weakened by low wage growth and increasing job insecurity arising from industrial and corporate restructuring. Indeed, the striking feature of economies across the world in the 1990s has been their sluggish response to stimulus.

It took a massive monetary injection to prod the US economy into recovery earlier in the decade. So, too, with the UK, when it escaped, via unintended devaluation, from the chilly embrace of the D-Mark. The other large European economies continue to look anaemic, while Japan has been utterly resistant to fiscal and monetary first aid.

Equally striking is how modest a monetary tightening has now precipitated the current growth pause. This is a cycle, moreover, in which the dynamic Asian economies have contributed a bigger boost to demand in the developed world than ever before.

Global pool

The reasons for the sluggishness of the OECD economies are complex. But one contributory factor has been the high level of real interest rates that has prevailed since the 1980s, reflecting the huge demand imposed on the global pool of capital by structural budget deficits. Public sector debt now stands at levels unprecedented in peace time. The assumption behind the present level of bond yields is that governments will address this intractable problem through fiscal retrenchment. But will they?

Success stories

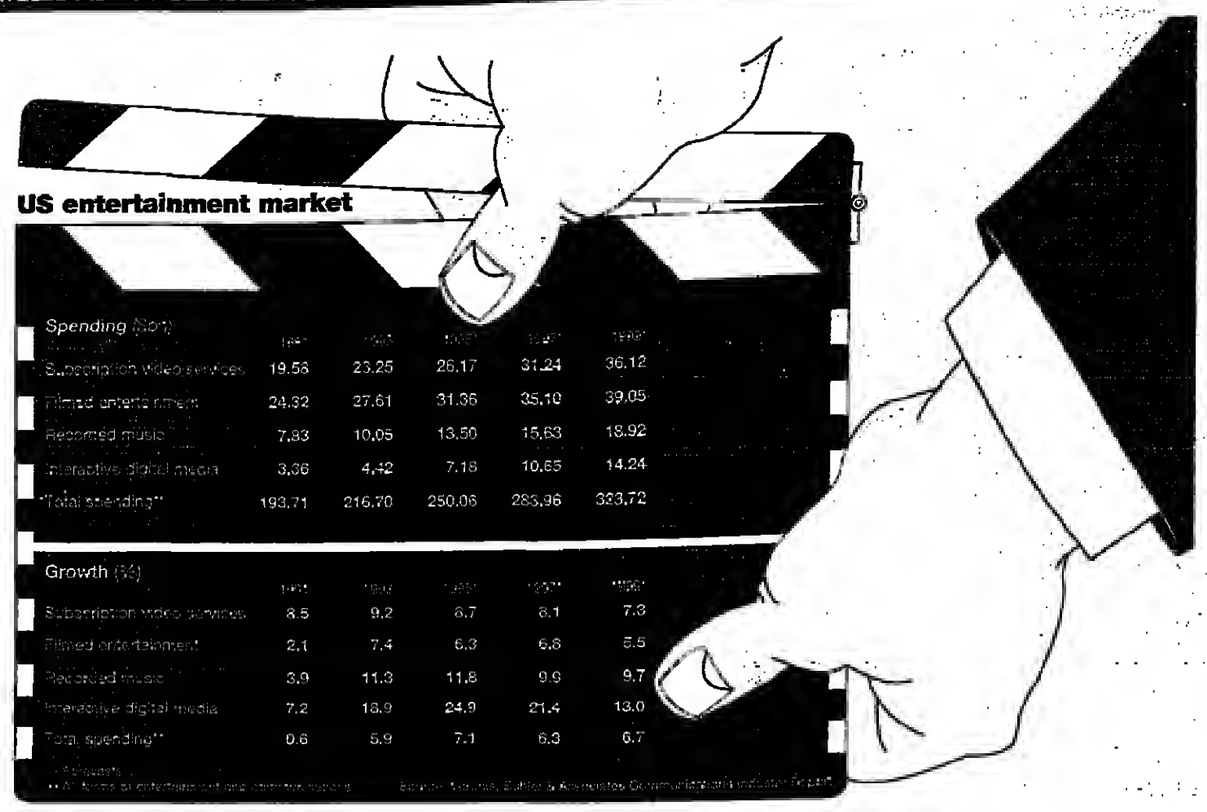
The political impulse towards deficit reduction has grown in the US. Germany has demonstrated a remarkable readiness to tax and to cut spending in difficult post-unification circumstances. Britain, despite a disappointing performance this year, has done more than most to put its public finances in order. Yet among the countries with really big outstanding debt stocks, the success stories are few.

The most impressive is that of Ireland, which is expected by the OECD secretariat to reduce its gross public debt, as defined under the Maastricht treaty, from 96.1 per cent in 1993, to 81.9 per cent in 1997. And here is an important clue. Ireland is the most tigerish economy in the whole of the OECD area, having seen growth of 6.7 per cent in 1994. Nor is growth expected to fall below 5 per cent between now and 1997.

The absence of more than very modest growth in the rest of Europe is the biggest reason to worry about successful fiscal retrenchment. As the French have found to their cost, budgetary cuts in a cold climate are a recipe for riots.

Against such a background, the short term risk for investors is that growth will prove weaker than expected, causing a downward revision in earnings expectations for equities. In the longer run, fiscal rectitude may emerge more slowly than expected, leaving bond valuations looking stretched and causing even greater polarisation between sound and unsound government borrowers.

For the moment, there is optimism about the US: also about the dollar, which largely explains today's lower yields on US Treasuries than on German bunds. Harder to rationalise is the relationship between the US and Japan, where the OECD expects the general government deficit, excluding the social security surplus, to exceed 8 per cent of GDP in 1996. A 2.9 per cent 10-year yen bond yield against a comparable US yield of 5.6 per cent looks potentially untenable when the yen is expected to depreciate and the fiscal position is deteriorating very rapidly. In 1996 big market corrections seem as likely to come from Japan as the US.



US entertainment market

Spending ($bn)	1991*	1992	1993*	1994*	1995*
Subscription video services	19.56	23.25	26.17	31.24	36.12
Filmed entertainment	24.32	27.61	31.36	35.10	39.05
Recorded music	7.83	10.05	13.50	15.63	18.92
Interactive digital media	3.36	4.42	7.18	10.65	14.24
Total spending**	193.71	216.70	250.06	283.96	323.72

Growth (%)	1991*	1992	1993*	1994*	1995*
Subscription video services	8.5	9.2	6.7	6.1	7.3
Filmed entertainment	2.1	7.4	6.3	6.6	5.5
Recorded music	3.9	11.3	11.8	9.9	9.7
Interactive digital media	7.2	18.9	24.9	21.4	13.0
Total spending**	0.6	5.9	7.1	6.3	6.7

* Estimate
** All forms of entertainment and home computer spending

Source: Veronis, Suhler & Associates Communications Industry Forecast

Search for a happy ending

The case for building supergroups in the entertainments industry has yet to be proved, argues **Alice Rawsthorn**

Even by the volatile standards of the entertainment industry, 1995 has been a dramatic year. Walt Disney bid $19bn (£12bn) for the Capital Cities/ABC television company, Time Warner $8bn for Turner Broadcasting and Seagram, the Canadian drinks company, took control of MCA, the film and music concern, for $5.7bn.

The dramas seem set to continue in 1996, as potential purchasers line up for MGM/UA, the Hollywood film studio, EMI Music, the world's third largest record company, and, possibly, Sony's film and music interests. The catalyst behind this activity is the belief that combining the production and distribution of films, music, television programming and interactive software will create a company greater than the sum of its parts.

The only hitch is that, so far, there is little evidence that this theory works in practice. Until now the only fully fledged supergroup has been Time Warner, which has yet to demonstrate the potential of owning interests in every area of entertainment and communications.

Traditionally film and music companies have been independent entities, often owned and run by entrepreneurs. Record labels have gradually been bought up by the six groups that now command two thirds of the $35bn global music market – PolyGram, Sony, EMI, Warner, MCA and BMG (part of Bertelsmann, the German media concern). Film studios have also merged, or been acquired by outsiders, often as "vanity deals" by would-be movie moguls attracted by Hollywood's glamour.

But technological advances in the past decade have eroded the entertainment industry's isolation. As television networks, cable and satellite channels have begun pumping huge amounts of information into the home, they have sought closer links with entertainment suppliers.

Mr Rupert Murdoch's News Corp led the way with the 1985 acquisition of 20th Century Fox, the Hollywood studio. In 1989, Time followed suit by merging its publishing and cable interests with Warner's film and music businesses. Viacom, the cable group, bought the Paramount film studio after a battle against rival cable moguls, Mr Barry Diller and Mr John Malone.

Some of these deals have produced successful examples of suppliers and distributors working together. Fox was a masterstroke for Mr Murdoch, who now pumps its films through his satellite channels and has established Fox TV as the fourth US network. Viacom promotes Paramount's films such as *Clueless* on MTV, its video music channel. It is also basing the film studio's first animated feature on *Beavis and Butt-Head*, the MTV cartoon characters.

Other industries have since invested in entertainment including the telecommunications companies that feed cable channels into homes and the information technology groups which need entertainment for their on-line services. US West, the regional telephone operator, paid $2.5bn for 25.5 per cent of Time Warner Entertainment in 1993. AT&T, another US telephone company, is now considering investing in Time Warner's cable business.

Microsoft, Mr Bill Gates' software group, recently announced plans to launch a 24-hour news channel with NBC, the US television network. Mr Paul Allen, co-founder of Microsoft, has invested $500m in DreamWorks, the new entertainment group founded by Mr Steven Spielberg, Mr Jeffrey Katzenberg and Mr David Geffen.

The entertainment companies which were initially sceptical about the multi-channel future have been forced to join the race. Mr Michael Eisner, Disney's chairman, once scoffed at the idea of "housebound zombies" zapping from channel to channel. But Disney clinched the Capital Cities/ABC deal as soon as the 20-year-old "fin-syn" rules that prevented US television networks from making most of their programmes were abolished.

And PolyGram, the world's biggest music company which made an unsuccessful foray into films in the early 1980s, has spent $600m since 1991 on founding a film division which has had several hits including *Four Weddings and a Funeral* and *The Usual Suspects*. "Conventional wisdom is that five to 10 supergroups will dominate the production and distribution of entertainment in the future," says Mr Alain Lévy, chairman. "Everyone is racing to be one."

The race is partly fuelled by fear that specialist film and music companies may find it increasingly difficult to sell their products if rivals are linked to the cable channels, television stations and online services owned by the same diversified communications groups.

Similarly they could find it harder to attract talent. The competition among record companies for stars is so intense, as illustrated by the fight to sign Janet Jackson and R.E.M., that offering opportunities in other entertainment areas could become part of the package. Cynics suspect that Warner would not be backing the film version of *Evita*, if Madonna, one of its most successful pop stars, was not so keen on the title role.

They may also be less attractive to high calibre executives. "It helps the company if everyone is aiming for a long-term goal," says Mr Lévy. "And it would be difficult for me to tell the 35 to 40-year-running £200m businesses that they'll be doing the same thing for 25 years."

However, the experience of Time Warner since the 1989 merger suggests that the supergroup option is not a straightforward solution. Some of its subsidiaries have flourished, notably the HBO pay-TV channel and Warner films, the most consistently successful Hollywood studio. But the group has been slow to exploit potential synergies between divisions and conflicts of interest have erupted.

Mr Michael Fuchs, former chairman of HBO, clashed with Mr Bob Daly and Mr Terry Semel, co-heads of the Warner studio, over the cost of their films. They were reportedly furious when HBO invested in Savoy, an independent film production company.

At Warner Music, internal strife has led to the departure of a string of senior executives in 1995. It has now been merged with the film division. But New Line, Turner's independent film company, is said to be up for sale as the founders are unhappy about the prospect of being subsumed into the Time Warner group.

Mr Gerald Levin, group chairman, plans to seek more synergies in future. "With Time and Warner I thought there would be more mileage in running the businesses separately," he said recently. "But with the Turner transaction things have changed dramatically."

Creating a management structure to exploit such synergies in the entertainment business is certain to be difficult, given the inevitable conflicts between divisions that have to trade with each other and the strong personalities involved. "Running these companies isn't just about looking at the profit and loss account, it's about nurturing talent and creativity," says Mr John Suhler, president of Veronis Suhler, the US investment bank. "The good companies don't lose sight of that."

All eyes are now on Disney and Capital Cities/ABC which, the industry hopes, will provide a more positive role model for supergroups than Time Warner.

"They've got excellent management and a strong vision," said one rival. "If they can't make it work, the rest of us may have to do some rethinking."

·LETTERS TO THE EDITOR·

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We are keen to encourage letters from readers around the world. Letters may be faxed to +44 171-873 5938 (please set fax to 'fine'). e.mail: letters.editor@ft.com Translation may be available for letters written in the main international languages.

Subsidies for centralisation

From Mr David Sawers.

Sir, Your arguments for increased subsidies to the arts in the provinces of the UK "In praise of elitism" (December 27) takes us back to the regional policies of the 1960s and their assumption that greater economic decentralisation is desirable.

You do not explain why you believe economic decentralisation to be economically and socially desirable. As centralisation is the product of many choices by individuals and businesses about the location in which they wish to live and work, it seems rather presumptuous to suggest that they should live or work elsewhere.

Rather than adding another distortion to the factors influencing locational decisions, it would make more sense to remove those distortions for which the government is responsible.

The most relevant of these distortions are subsidies to public transport, such as commuter services into London, and indirect subsidies to road transport through under-charging for the use of the roads. If personal travel were more expensive, large centres such as London would become more expensive places in which to do business, and employment would become more dispersed; if freight transport were more expensive, the case for concentrating factories and warehouses would be weakened, and employment would again become more dispersed.

Removing these subsidies is likely to have far more influence on the location of activity than increasing subsidies to the arts. But members of the "elite" might lose.

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The true cost of the spirit of giving

From Mr Tjeerd J.J. de Vries.

Sir, In the fine summer of 1982 my eldest daughter was born and so I became an investor in the wines of that excellent year. Now that they are at the height of their development, every time I descend into my cellar to select a bottle for that evening's dinner, how much I am really spending when I open one of the shrinking number of marvellous 1982 clarets? One can imagine that I read with more than usual interest Samuel Brittan's article on this matter "Glad tidings of dear joy" (December 16/17).

He discusses the response to a question posed to the readers of the wine newsletter Liquid Assets. Fewer than 30 per cent gave the correct answer that the wine, having risen from $20 to $75 in market value, will now cost $75 when given as a present.

I do not share Samuel Brittan's unease about the economists' "correct" answer. The increase in value of the wine does not make the investor worse off, it is the decision to make a gift worth $75 that costs him $75. His $55 profit is completely separate from that and could have been made with any other investment without changing the answer to the question.

The problem with the question A really interesting question, in my view, is one about rational choices concerning objects with sentimental value. I know that my bottles contain exactly the same wine as before its price rose.

Does it taste better now that it will sell at $75? Definitely, but not by $55.

Also, I cannot sell the '82s (and realise $75) because of the emotional link to my daughter's year of birth, and because I have to save some for her. The $55 profit is not available to me, which makes me behave irrationally in the economists' terms.

My question to the readers of Liquid Assets would have been as follows.

"Every day of the week you select a bottle of wine from your stock to drink that evening. On weekdays, you restrict yourself to bottles which cost less than $40 in the shop, on Sundays you go for the more expensive ones. You have a lot of very pleasant 1982 clarets, bought in the past at $20, and you drink them regularly. Recently, you noticed that the price of '82s in the shop has gone up to $75. Do you now stop drinking them on weekdays? If so, would you feel a sense of loss when the shop price drops again to $35?"

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the Netherlands

A positive perspective on pensions

From Mr Graham Dennis.

Sir, So it seems the lack of the feelgood factor among the middle classes may be largely attributed ("Bang go the great expectations," December 27) to the individual's lack of ownership rights over his pension and to worries about utilisation of funding surpluses!

There is no evidence whatever that the middle classes, or any other sections of society, are quite so exercised by these issues. Experience rather suggests that when redundancy strikes the individual's concerns are usually less to do with these conjectures than with straightforward self-preservation, when what had been the *mere promise* of a pension suddenly reveals its value. To the majority of the redundancy-afflicted, your correspondent's distinction between a pension promise and a financial asset will be mere casuistry. Changing work patterns may mean the "standard" (final earnings) occupational pension scheme has seen its heyday, but its decline will be a long one and meantime it would be entirely wrong to denigrate a system which has provided an effective means of support when they most need it.

Your article would have lost none of its relevance if occupational schemes had been acknowledged for their positive contribution instead of being cast as a major factor to feelings of betrayal.

Graham Dennis,
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The prophets' forecast for a new year

Twelve months ago FT writers made predictions for the year ahead – with mixed results. Now they dust off their crystal balls and offer their suggestions for 1996

How well did FT writers fare as prophets on these pages? Martin Wolf was too pessimistic about short-term interest rates almost everywhere, because he was too optimistic about the performance of economies. John Plender was too pessimistic about equities, above all in Wall Street, where he expected the market to fall. Meanwhile, Martin Dickson was right to predict that there would be a sharp upturn in UK takeovers.

John Major's survival brought pleasure to himself and almost as much to Philip Stephens, who predicted it. Edward Mortimer hoped there might "with luck be some progress towards a constitutional settlement" in Northern Ireland, "but it is most unlikely to reach fruition within 1995". He was right on both points, at least if progress is measured in centimetres.

David Marsh was too optimistic in assuming the Schengen agreement on reducing border controls between some EU countries would come into effect this year. Jurek Martin thought the Republican Congress would probably pass tax cuts, welfare reform, the balanced budget amendment and the line-item veto. The first two remain probable; the amendment failed by one vote, though balancing the budget is still on the agenda; and the line-item veto passed Congress, but has not been sent to the president.

In China, the economy seems to have landed softly, a slightly better outcome than Tony Walker expected a year ago. William Dawkins thought the Japanese coalition "might hang on to power", as it did. The success of the communists in Russia's parliamentary elections both vindicated – and imperilled – John Lloyd's qualified optimism about the prospects for democracy.

Now for 1996.

Will the world economy slow further?

Martin Wolf writes: Probably not, but even more of the same would guarantee poor growth between 1995 and 1996. The OECD's December forecasts for GDP growth in the second half of 1995 have been significantly downgraded for almost all major economies. The exception is the US, now forecast to grow at an annual rate of 3.1 per cent, against last June's 2.6 per cent. Further downward adjustments in growth in the second half of 1995 are now virtually certain for most of the big economies. This means they must rebound strongly next year if there is to be reasonable growth between 1995 and 1996.

Will bull markets run out of steam?

John Plender writes: After their remarkable recent run, US and British equities look vulnerable to bad news. That said, we are still in a bull trend. If fiscal consolidation goes ahead in the US and Europe, monetary policy will be further relaxed, while bond yields will continue to fall. That is a hugely favourable climate for equities.

After the 1994 bond market crash, it also sounds like a move into dangerous territory.

Yet long-term interest rates are still high, in real terms, and bond yields are well above the levels that prevailed in the low-inflation climate of the 1950s and 1960s. In a mid-cycle slowdown, inflation is likely to remain subdued, while output stays below potential. There is thus room for another, possibly explosive, leg of the bull market.

Will Zhirinovsky be Russian president?

Chrystia Freeland writes: No. The good news from Russia is that Mr Vladimir Zhirinovsky, the flamboyant ultra-nationalist politician, is unlikely to win presidential elections scheduled to take place in June. The incongruously named Liberal Democrats won only 11 per cent of the popular vote, half of their total in 1993, and not enough to put Mr Zhirinovsky in the Kremlin.

But the strongest candidate in the June presidential race is Mr Gennady Zyuganov, leader of the Communist party. In the December parliamentary elections 31 per cent of the electorate voted for the Communists, the closely allied Agrarian party or even more radical leftist groups. By contrast, the combined vote for the pro-government party and opposition reformers was 21 per cent. Worse still, the perennially divided democratic camp is likely to split its vote further by fielding at least two candidates: a figure from the present regime, probably the ailing president, Mr Boris Yeltsin, and Mr Grigory Yavlinsky, the fiercely ambitious leader of Yabloko, the most popular anti-government reform party.

The two-stage presidential race will probably be determined by a run-off between either Mr Zyuganov and Mr Zhirinovsky or Mr Zyuganov and Mr Yeltsin. The only possibility more worrying than either of these two would be a decision by the ruling elite to call off presidential elections altogether.

Must I join the Internet?

Paul Taylor writes: Not yet, though you should be thinking about it. The Internet – the informal network of computer networks that was once the preserve of academics and computer nuts – has evolved over the past 18 months into an important information source, communications medium and business tool.

Today there are between 35m and 50m people worldwide who have access at work or home to the Internet – and the number is increasing rapidly.

The most important single use of the Internet is for electronic mail, but the fastest growing part of cyberspace is the World Wide Web, a collection of some 30m pages of text and graphics on almost every conceivable subject. Further developments promise to make the Internet more exciting by the end of 1996. For those PC owners who have not yet become "cyber-citizens", it may be time to think again.

Who will win the US election?

Jurek Martin writes: The winner will be – but don't bet more than a nickel on it – William Jefferson Clinton.

Clinton has merely the following things to worry about: an economy that will under-perform what presidents have historically needed to be re-elected; a revived and aggressive Republican party; a beleaguered Democratic party that has never been comfortable with him; Bosnia, on which public opinion, already grudging in its support of the US military presence, could turn ugly if the mission went awry; and Whitewater, the generic shorthand for doubts about his character, with a special counsel due to report sometime in the year.

In his favour: the lack of a challenge from inside the Democratic party; the probability that the Republicans will field the underwhelming and ageing Senator Bob Dole; the likelihood of disaffection with Mr Dole on the far right; the national sense that a president of one party and a Congress run by the other is no bad thing; and a public still unpersuaded that Whitewater is a scandal.

Tony Blair: not at Number 10 yet

Ill wind: the world is getting hotter

Hand in hand: peace in Ulster is more than a handshake away

Zhirinovsky: not enough votes

Fingers crossed: the arts cash in

Latter-day peacenik: Shimon Peres

Will there be all-party talks on Ulster?

John Murray Brown writes: Some form of all-party negotiations could begin in 1996, though a final settlement is unlikely to be achieved. If a deal is to be struck, republicans will have to recognise their fight is not with the British "occupiers", but with the majority unionists. Equally, the unionists will have to recognise that their problem is not the Dublin government, but nationalist sensitivities in the north. Progress is likely to be glacial. But a sufficient pace is critical to dissuade hardline republicans from returning to violence.

Former US senator George Mitchell is due to report on paramilitary arms by the middle of January. Unionists will want hard evidence that Sinn Féin is willing to commit itself to disarming the IRA. Without that assurance, arguments about decommissioning are likely to block the route to substantive talks for some time.

Will Tony Blair be prime minister?

Philip Stephens writes: No. Mr Major sees his remaining hopes of securing a fifth term for the Conservatives in deferring the election until the last possible moment in the spring of 1997 – following a tax-cutting Budget in November of this year. The government's fast-disappearing majority in the House of Commons makes that a precarious scenario, but Mr Major should be able to rely on some of the smaller parties to keep it afloat until the end of the present parliament. Mr Blair is resigned to waiting until 1997 for the chance to end Labour's 18 years in the wilderness.

Can Nato bring peace to Bosnia?

Bruce Clark writes: Nato should have no trouble with its immediate military tasks, which amount to marking out and policing a "zone of separation" down the middle of "reunited" Bosnia. But the project's Achilles heel will be the slowness of civilian reconstruction and doubts harboured by the US public.

Not many casualties would be needed to trigger a US withdrawal under domestic pressure. Even if Nato's mission stayed its year-long course, fighting could erupt after its withdrawal. As the year proceeds, pressure will rise in the US for the delivery of weapons to the Bosnian government. Both the Serbs and, perhaps more important, the Croats, would be unhappy about this. Russia may also use its UN Security Council seat to obstruct western policy.

Will the Japanese economy recover?

William Dawkins writes: Yes. But it will be a fragile blossoming. Spring green shoots proved sickly in each of the past three years. But this time there are stronger reasons to believe recovery will take root. Bank of Japan officials point to the first rise in corporate capital investment in four years, a pick-up in industrial production and a slow recovery in consumer spending. They are keeping their fingers crossed that the dollar has stabilised at about Y100. So long as inflation remains a remote risk, the Bank will also continue to hold interest rates at rock bottom.

The main constraint on the upturn will be the weakness of its banks. Another brake is the surge in imports and exodus of manufacturers to cheaper locations overseas.

Will global warming make it hotter?

Clive Cookson writes: It looks as though 1995 will be the warmest year worldwide since records began in the mid-19th century. The balance of probabilities must be that the average worldwide temperature will be perhaps 0.05°C higher next year. However, weather around the globe varies so much from year to year that many individual places will be cooler in 1996. The FT forecast is that the UK will not be quite so warm as it was in 1995 – the hottest year since British temperature records began 340 years ago.

The global climate has been heating up since about 1960 – and the UN Intergovernmental Panel on Climate Change accepted at its meeting in Rome earlier this month that human activities were responsible. About the only thing that could bring short-term relief from global warming is a huge volcanic eruption, which would send enough dust into the upper atmosphere to cool the world for a few years. Long-term relief depends on strong action to restrain the burning of coal, oil and gas.

What will happen to Emu?

Lionel Barber writes: The slowdown in the European economy could sink France's chances of meeting the Maastricht criteria for reducing budget deficits and qualifying for Emu. In Germany, Chancellor Helmut Kohl knows that more than half the public is indifferent or hostile to the idea of trading D-Marks for Euros, and the SPD opposition party continues to flirt with the idea of a delay in monetary union. But if France meets the Maastricht targets, Germany will comply with the treaty.

Will Indian economic reforms reverse?

Mark Nicholson writes: No, but they will remain stalled. Mr Manmohan Singh, India's finance minister, has warned people not to expect any more big reforms until after next year's general elections, which means after April or May.

It may be wise not to expect too much then either. India's voters are likely to return a weak government or hung parliament. Whoever takes power, the prospect of deeper, wider reforms next year looks remote. Few parties want to take the politically difficult next steps, such as cutting the high fiscal deficit and public debt, now 90 per cent of GDP. Substantial privatisation would help, but a weak new administration is unlikely to embrace it.

Can Israel and Syria make peace?

David Gardner writes: Yes. For the first time since the Middle East peace process began four years ago, there is a slightly better than even chance that Syria and Israel will reach a settlement.

The outlines have long been clear: Syria wants back all the Golan Heights, the strategic plateau dividing the two countries, which Israel captured in the 1967; Israel wants full peace, including open borders, an exchange of embassies and iron-clad security guarantees. The mood in the region changed after the assassination of Yitzhak Rabin, the Israeli premier. Mr Shimon Peres, his successor, has hinted he is willing to pledge a full return of land for a full peace and has put two of his closest aides on the job. President Hafez al-Assad has responded and talks are under way near Washington.

A good deal might help Mr Peres win next year's elections in Israel. For Mr Assad, it would bring Syria back into the diplomatic mainstream and enable it to rejoin international markets. Yet Mr Peres lacks both Rabin's rapport with the Israeli army and time, with elections due by late October. Moreover, what Mr Peres needs to win an election is not necessarily what Mr Assad needs to retain the confidence of his army and people.

Will there be more big mergers?

Tony Jackson writes: That depends on the financial markets. Cheap money has been driving the recent merger boom due to high equity markets and low bond yields.

There are exceptions. Whatever the markets do, expect some action from the seven big US local telephone companies. When the bill to liberalise telecoms goes through Congress these companies will find their monopolies under attack. Some will seek protection in becoming bigger.

There are also some industries that are consolidating. This process is self-perpetuating. If everyone is getting bigger, the temptation is to get bigger yourself. Look for some more deals in US banking, and probably in the drug industry.

The other push behind mergers is, paradoxically, demergers. Takeovers come in cycles, and a lot of the deals from earlier cycles have gone wrong. In such cases, companies can get applause for splitting themselves up again. The various bits are thus put back on the auction block to be re-merged with someone else. If you think this a curious way to conduct business, you are not alone.

Will Mexico's recovery fail?

Stephen Fidler writes: No. Since last December's devaluation economic activity has shrunk by a traumatic 7 per cent. However, Mexico is unlikely to be entering an extended 1980s-style economic crisis. Modest growth should resume in 1996.

Will there be famine for UK arts funding?

Antony Thorncroft writes: Yes and no. The UK arts world enters 1996 in a state of confusion. Its main paymaster, the Arts Council, was a Budget casualty, suffering a £5m cut in its annual grant to £186.1m. Although the arts lobby attempted an indignant outcry, it was half-hearted. For the arts are receiving an extra £250m or more a year in lottery money. Arts companies will have less money to present new works, just as new palaces to the arts, funded by the lottery, rise up around them.

The hope is that better facilities will generate extra revenue. But most major orchestras have debts; so do leading opera companies and the regional theatres. They will probably hang on, but only because of a behind-the-scenes deal to widen the remit of lottery funding, between Mrs Virginia Bottomley, the heritage secretary, and Lord Gowrie, chairman of the Arts Council. But if the lines between revenue and capital funding are blurred, the arts will gradually be financed just from the lottery – and the Treasury will have won.

LEADERS FOR A NEW MILLENNIUM

Ralph Reed · By Jurek Martin

Choirmaster with a secular contract

There will be a dark side to the millennium. The years beyond 2000 will not be influenced only by the youngish men and women of mostly non-doctrinaire views and growing prominence portrayed in these pages over the last two weeks.

Democratic values may rule, but not everywhere. The marches of science and technology, themselves capable of excess, will produce reactions, not all benign. International crime is now too profitable and sophisticated for it to be put back easily into a 21st century Alcatraz.

Not for the first time religion is being called on to provide answers to daunting social problems. The first millennium was accompanied by a marked rise of religious movements; history may now be repeating itself – and not merely in the Islamic world. The United States of America, though "one nation, under God" as its pledge of allegiance states, may have practised the legal separation of church and state for the last 220 years. But that is clearly under challenge by a new generation of religious conservatives, whose choir is led by Mr Ralph Reed.

The 33-year-old executive director of the Christian Coalition, political arm of the US religious right, wears no robe, and may not even be a new philosopher king, but he bridges the religious and secular in a very contemporary way. Using the techniques long honed by political consultants, he has become a powerful – and feared – architect of the drive to insert fundamentalist religious values into the civil conduct of the world's most powerful nation.

The week before Christmas provided the most recent example of his influence. Senator Bob Dole, the majority leader, dared to suggest that he was opposed to a constitutional amendment which banned abortions without making exceptions for the cause of the pregnancy (rape and incest) or danger to the mother's health. Barely 24 hours later, following a conversation with Mr Reed, Mr Dole was not nearly so categorical, leaving the clear impression that he had been told how much damage religious conservatives could do to his hopes of becoming the next president.

It would be misleading to infer from this incident that opposition to abortion is the only test of political acceptability to Mr Reed. His finely tuned political antennae have told him it is better to build broader acceptance for his agenda than to risk a premature Waterloo over a single issue. Thus what he has has brought over the last seven years to the organisation established by the Rev Pat Robertson, the 1988 Republican presidential hopeful, is a multi-faceted secular political programme that its far more dogma-driven founder might not always recognise.

It covers social policy from welfare reform to education, from federal funding of the arts to legal aid. Another chestnut of the religious right – the reintroduction of prayer in state schools – is disguised as an innocuous-sounding religious equality constitutional amendment. All this is grouped under the banner of a Contract for the American Family, a title that acknowledges its debt to the Contract with America that congressman Newt Gingrich, now Speaker, designed for the Republican party's 1994 election campaign.

No agenda means much, however, unless it has a constituency and Mr Reed now has that.

The percentage of Americans who profess adherence to a religion – nearly two-thirds – has not changed much. But the composition has: the long-established Catholic and Protestant denominations now share the stage with fast-growing evangelical and fundamentalist sects – and their more rigid doctrines offer succour to those troubled by the ills of modern society.

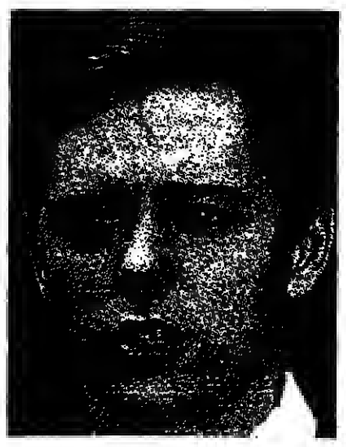
To a political strategist like Mr Reed, this constitutes both opportunity and danger. The Christian Coalition, paid membership now approaching 2m, is its activist core. Attendance at its convention in Washington last autumn was virtually compulsory for conservative candidates, including all but two of those then competing for the Republican nomination. The declared goal is to control all 50 state Republican parties and, by some counts, the Christian Coalition is half-way there.

But the 1992 election revealed a country cool to the stridency of the religious right, particularly on the battlefield of abortion. Thus Mr Reed is leading an effort to reach out to other religions. Prior to the Pope's visit in October he proclaimed an alliance between Catholics and the Christian Coalition, rooted in shared opposition to abortion. Within a week of the assassination of Yitzhak Rabin, he was at a Jewish community centre expressing his admiration for the murdered Israeli prime minister.

Even severe critics such as Mr Frank Rich, the New York Times columnist, sometimes admire this chutzpah. Of an April speech to a leading Jewish organisation, Mr Rich wrote that "Mr Reed's oration would be a credit to any bar mitzvah" – though he then reminded his readers that whatever sweet reasonableness they heard stood in sharp contrast to the conspiratorial anti-Semitism associated with Rev Robertson and some of the unreconstructed tele-evangelists.

Some conservative intellectuals, such as Mr Irving Kristol, welcome the religious right into the political arena – warning against excessive zeal on issues such as abortion, the eradication of pornography and the teaching of creationism in schools, as an alternative to Darwinism. Similar reservations may be demonstrated next November by the broader electorate uncomfortable with the overt politicisation of the Bible.

But for now Mr Reed rides high, with at least half a lien on the party of Abraham Lincoln. Like the choirboy he resembles, his voice may break – but not necessarily before the millennium rolls round.



Bridging the religious and the worldly in a very contemporary way

CURRENCIES AND MONEY

MARKETS REPORT

Tame finish

By Philip Gawith

Foreign exchange markets experience a fairly tame finish to the year yesterday, with no repeat of 1994 when the final week's trading saw sharp movements in the dollar, Mexican peso, lira, peseta and French franc.

This time round, there was no whiff of the sort of political crisis which excited Spanish and Italian markets in the closing days of 1994, nor the type of financial crisis which overran Mexico, with much wider ramifications in the first quarter of 1995.

It was the Mexican crisis a year ago which saw a promising dollar rally run into the sands. This time round, the omens are more propitious, and traders were yesterday *again talking the dollar up* in the new year, even though the first quarter has been something of a graveyard for the dollar in recent years.

This time round, markets *were more likely* to be bored to death, with the US budget impasse one of the few issues to focus on, and even that too fuzzy to provide much trading direction.

The dollar started the year at DM1.55, and Y100.34, before *sinking to historic lows around* Y80 and DM1.3450 in April. It then rallied, particularly against the yen, to reach a high around Y104.45 in mid-September.

The rally against the D-Mark was much less pronounced, reaching a high of DM1.49, also in mid-September. Yesterday it finished at DM1.4313 and Y103.155.

The source of optimism yesterday about the dollar lay in its managing to break above Y103, for the first time in nearly two months. The basis for this better performance lay *in a number of factors. First,* the overnight announcement from the Ministry of Finance that it was planning to boost the funds available for foreign exchange intervention by about $6bn in 1996/7.

While the sum in itself was not large, Mr Brian Garvey, currency strategist at IDEA in New York, said it was "a signal that the Bank of Japan will be prepared to intervene, particularly in the first quarter of 1996, especially if it sees repatriation - the so-called March effect." He said it looked as if *the Y100 level would be aggressively defended.*

Another factor which contributed to the dollar's strength against the yen was the announcement earlier in the week of the deregulation of pension fund management, which analysts believe will encourage more funds to flow offshore.

Earlier the dollar had been supported by rumours, which proved false, that senior finance ministry officials were set to resign.

■ *Markets were witness to the* unusual spectacle yesterday of sterling leading the dollar. The pound fell in response to newspaper reports that a leading Labour party back-bencher was advocating the devaluation of sterling.

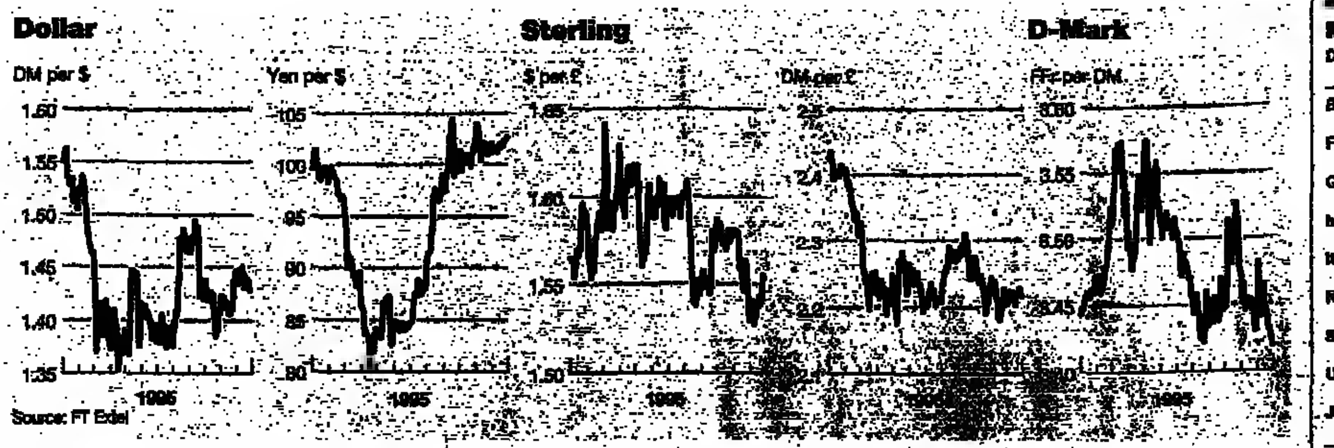
Mr Mike Burton, head of foreign exchange at Goldman Sachs in London, said the story enjoyed a "veneer of plausibility", but said the move was accentuated by thin trading conditions.

Sterling lost nearly a pfennig against the D-Mark in the *European morning – most of* the fall came amid thin volumes, while the Frankfurt fixing was underway – slipping *to* DM2.2175, before recovering to finish in London at DM2.2222. In New York it went above DM2.23, helped by a firmer dollar. Against the dollar it finished at $1.5526.

These levels compare to DM2.4284 and $1.5628 on January 4.

■ **Pound in New York**

Dec 29	—Latest—	– Prev. close –
£ spot	1.5540	1.5475
1 mth	1.5528	1.5464
3 mth	1.5508	1.5442
1 yr	1.5404	1.5343



Source: FT Extel

POUND SPOT FORWARD AGAINST THE POUND

Dec 29		Closing mid-point	Change on day	Bid/offer spread	Day's Mid high	Day's Mid low	One month Rate	One month %PA	Three months Rate	Three months %PA	One year Rate	One year %PA	Bank of Eng. Index
Europe													
Austria	(Sch)	15.6351	–0.0432	287 - 414	15.6700	15.5584	15.5918	3.3	15.5476	2.2	-	-	106.6
Belgium	(BFr)	45.6918	–0.0919	531 - 300	45.7320	45.4260	45.5866	2.8	45.4066	2.5	44.7066	2.2	109.1
Denmark	(DKr)	8.6042	–0.0195	005 - 079	8.6241	8.5633	8.5926	1.6	8.5752	1.3	8.5168	1.0	109.6
Finland	(FM)	6.7414	–0.0445	351 - 477	6.7750	6.7180	6.737	0.9	6.7289	0.7	-	-	68.8
France	(FFr)	7.5928	–0.0272	900 - 955	7.6219	7.5592	7.5876	0.8	7.5795	0.7	7.5331	0.8	111:1
Germany	(DM)	2.2222	–0.0061	213 - 230	2.2290	2.2107	2.2176	2.5	2.2085	2.5	2.1681	2.4	111.9
Greece	(Dr)	367.302	–1.611	166 - 439	368.754	365.912	-	-	-	-	-	-	66.4
Ireland	(I£)	0.9687	+0.0004	681 - 693	0.9693	0.9670	0.9677	1.2	0.9666	0.8	0.9631	0.8	97.8
Italy	(L)	2483.04	–1.67	148 - 460	2485.39	2445.98	2471.49	–4.1	2488.14	–4.1	2580.99	–4.0	71.0
Luxembourg	(LFr)	45.6918	–0.0919	531 - 300	45.7320	45.4260	45.5866	2.8	45.4066	2.5	44.7066	2.2	109.1
Netherlands	(Fl)	2.4868	–0.0063	860 - 895	2.5003	2.4753	2.4829	2.8	2.4725	2.6	2.4285	2.4	109.2
Norway	(NKr)	9.8091	–0.0255	017 - 165	9.8683	9.7560	9.799	1.2	9.7775	1.3	9.6963	1.1	98.3
Portugal	(Es)	231.938	–0.755	821 - 050	232.579	230.750	232.361	–2.2	233.266	–2.3	-	-	95.4
Spain	(Pta)	188.355	–0.093	201 - 510	188.626	187.498	188.84	–3.1	189.785	–3.0	194.01	–3.0	82.2
Sweden	(SKr)	10.2894	–0.0638	809 - 979	10.3483	10.2543	10.2913	–0.2	10.295	–0.2	10.3102	–0.2	87.0
Switzerland	(SFr)	1.7866	–0.0042	855 - 874	1.7874	1.7764	1.78	4.4	1.767	4.4	1.7112	4.2	116.3
UK	(£)	-	-	-	-	-	-	-	-	-	-	-	83.1
Ecu	-	1.2129	+0.0005	119 - 129	1.2129	1.2028	1.2112	1.1	1.209	1.1	1.201	0.9	-
SDR†	-	1.045350	-	-	-	-	-	-	-	-	-	-	-
Americas													
Argentina	(Peso)	1.5523	–0.0037	520 - 526	1.5634	1.5441	-	-	-	-	-	-	-
Brazil	(R$)	1.5090	–0.0039	084 - 096	1.5096	1.5009	-	-	-	-	-	-	-
Canada	(C$)	2.1175	–0.0001	167 - 182	2.1182	2.1061	2.118	0.8	2.1149	0.5	2.1106	0.3	83.9
Mexico	(New Peso)	11.9624	+0.0185	449 - 799	11.9799	11.9382	-	-	-	-	-	-	-
USA	($)	1.5526	–0.0036	523 - 528	1.5532	1.5438	1.5515	0.9	1.5494	0.8	1.5394	0.9	94.0
Pacific/Middle East/Africa													
Australia	(A$)	2.0872	–0.001	861 - 882	2.0882	2.0737	2.0887	–0.9	2.0925	–1.0	2.108	–1.0	95.9
Hong Kong	(HK$)	12.0046	–0.0267	019 - 073	12.0089	11.9377	11.9975	0.7	11.9884	0.5	11.9629	0.3	-
India	(Rs)	54.5954	–0.0583	633 - 275	54.6340	54.3260	-	-	-	-	-	-	-
Israel	(Shk)	4.8690	–0.0226	643 - 736	4.8744	4.8443	-	-	-	-	-	-	-
Japan	(Y)	160.153	+0.479	073 - 233	160.233	158.760	159.318	6.3	157.813	5.8	151.473	5.4	139.6
Malaysia	(M$)	3.9419	–0.0117	405 - 433	3.9433	3.9208	-	-	-	-	-	-	-
New Zealand	(NZ$)	2.3749	–0.0034	732 - 765	2.3765	2.3627	2.3778	–1.5	2.3848	–1.7	2.409	–1.4	101.5
Philippines	(Peso)	40.7234	–0.0847	858 - 610	40.7610	40.6858	-	-	-	-	-	-	-
Saudi Arabia	(SR)	5.8229	–0.0137	219 - 241	5.8250	5.7903	-	-	-	-	-	-	-
Singapore	(S$)	2.1961	–0.0028	950 - 972	2.1972	2.1822	-	-	-	-	-	-	-
South Africa	(R)	5.6598	–0.0166	574 - 623	5.6623	5.6302	-	-	-	-	-	-	-
South Korea	(Won)	1204.39	+0.38	412 - 466	1204.82	1197.38	-	-	-	-	-	-	-
Taiwan	(T$)	42.3645	–0.1011	561 - 728	42.3806	42.1272	-	-	-	-	-	-	-
Thailand	(Bt)	39.1088	–0.0808	869 - 306	39.1308	38.9040	-	-	-	-	-	-	-

† Rates for Dec 28. Bid/offer spreads in the Pound Spot table show only the last three decimal places. Forward rates are not directly quoted to the market but are implied by current interest rates. Sterling index calculated by the Bank of England. Base average 1990 = 100. Index rebased 1/2/95. Bid, Offer and Mid-rates in both this and the Dollar Spot tables derived from THE WM/REUTERS CLOSING SPOT RATES. Some values are rounded by the F.T.

DOLLAR SPOT FORWARD AGAINST THE DOLLAR

Dec 29		Closing mid-point	Change on day	Bid/offer spread	Day's mid high	Day's mid low	One month Rate	One month %PA	Three months Rate	Three months %PA	One year Rate	One year %PA	J.P. Morgan Index
Europe													
Austria	(Sch)	10.0706	–0.0041	681 - 730	10.1265	10.0670	10.0551	1.8	10.0291	1.6	9.9256	1.4	106.4
Belgium	(BFr)	29.4300	+0.01	100 - 500	29.6350	29.4000	29.378	2.1	29.29	1.6	28.985	1.5	106.5
Denmark	(DKr)	5.5420	+0.0005	405 - 435	5.5676	5.5379	5.5382	0.8	5.532	0.7	5.5486	–0.1	106.7
Finland	(FM)	4.3422	–0.0184	388 - 455	4.3794	4.3365	4.3372	1.4	4.3295	1.3	4.2897	1.0	85.5
France	(FFr)	4.8905	–0.006	895 - 915	4.9190	4.8865	4.894	–0.9	4.9015	–0.9	4.913	–0.5	110.2
Germany	(DM)	1.4313	–0.0006	310 - 319	1.4395	1.4310	1.4291	1.8	1.4245	1.9	1.4053	1.8	110.5
Greece	(Dr)	236.580	–0.48	530 - 630	238.290	236.520	238.305	–8.7	241.505	–8.3	254.98	–7.8	65.6
Ireland	(I£)	1.6028	–0.0043	020 - 035	1.6040	1.5945	1.6033	–0.3	1.6037	–0.2	1.5996	0.2	-
Italy	(L)	1586.45	+2.65	570 - 720	1588.10	1581.00	1593.3	–5.2	1605.35	–4.8	1663.45	–4.9	70.4
Luxembourg	(LFr)	29.4300	+0.01	100 - 500	29.5350	29.4000	29.378	2.1	29.29	1.9	28.985	1.5	106.5
Netherlands	(Fl)	1.6031	–0.0002	028 - 033	1.6126	1.6020	1.5999	2.4	1.5949	2.0	1.5756	1.7	106.4
Norway	(NKr)	6.3181	–0.0015	143 - 219	6.3720	6.3140	6.3159	0.4	6.3076	0.7	6.2908	0.4	97.3
Portugal	(Es)	149.390	–0.135	340 - 440	150.260	149.330	149.765	–3.0	150.535	–3.1	154.14	–3.2	95.1
Spain	(Pta)	121.320	+0.225	240 - 400	121.700	121.240	121.719	–3.9	122.45	–3.7	125.94	–3.8	81.8
Sweden	(SKr)	6.6274	–0.0255	230 - 319	6.6871	6.6173	6.6444	–3.1	6.6739	–2.8	6.8114	–2.8	86.0
Switzerland	(SFr)	1.1507	-	502 - 511	1.1547	1.1492	1.1471	3.8	1.1404	3.6	1.112	3.4	115.2
UK	(£)	1.5526	–0.0036	523 - 528	1.5532	1.5438	1.5515	0.9	1.5494	0.9	1.5394	0.9	83.3
Ecu	-	1.2807	–0.0035	802 - 812	1.2850	1.2773	1.281	–0.3	1.2818	–0.2	1.282	–0.1	-
SDR†	-	0.67234	-	-	-	-	-	-	-	-	-	-	-
Americas													
Argentina	(Peso)	0.9999	-	998 - 999	1.0002	0.9998	-	-	-	-	-	-	-
Brazil	(R$)	0.9720	–0.0002	717 - 722	0.9722	0.9710	-	-	-	-	-	-	-
Canada	(C$)	1.3639	+0.0031	636 - 641	1.3653	1.3608	1.3639	0.0	1.3643	–0.1	1.3693	–0.4	83.2
Mexico	(New Peso)	7.7050	+0.08	950 - 150	7.7200	7.6900	7.7073	–0.4	7.7104	–0.3	7.7153	–0.1	-
USA	($)	-	-	-	-	-	-	-	-	-	-	-	94.9
Pacific/Middle East/Africa													
Australia	(A$)	1.3443	+0.0026	439 - 448	1.3452	1.3432	1.3463	–1.8	1.3498	–1.6	1.3685	–1.8	86.7
Hong Kong	(HK$)	7.7322	+0.001	317 - 327	7.7327	7.7315	7.7329	–0.1	7.7347	–0.1	7.7617	–0.4	-
India	(Rs)	35.1650	+0.045	500 - 800	35.1900	35.1400	35.315	–5.1	35.62	–5.2	37.09	–5.5	-
Israel	(Shk)	3.1361	–0.0072	336 - 386	3.1490	3.1264	-	-	-	-	-	-	-
Japan	(Y)	103.155	+0.55	120 - 190	103.270	102.640	102.64	6.0	101.795	5.3	98.23	4.8	141.2
Malaysia	(M$)	2.5390	–0.0015	385 - 395	2.5423	2.5380	2.5399	–0.4	2.546	–1.1	2.5695	–1.2	-
New Zealand	(NZ$)	1.5295	+0.0014	288 - 306	1.5305	1.5263	1.5328	–2.4	1.5384	–2.3	1.563	–2.2	-
Philippines	(Peso)	26.2300	+0.02	100 - 500	26.2500	26.2100	-	-	-	-	-	-	-
Saudi Arabia	(SR)	3.7505	-	503 - 507	3.7507	3.7502	3.751	–0.1	3.7517	–0.1	3.756	–0.1	-
Singapore	(S$)	1.4145	+0.0015	140 - 150	1.4150	1.4132	1.411	3.0	1.405	2.7	1.3795	2.5	-
South Africa	(R)	3.6455	–0.0023	445 - 465	3.6515	3.6445	3.6735	–9.2	3.7248	–8.7	3.9665	–8.8	-
South Korea	(Won)	775.750	+2	700 - 800	775.900	774.000	778.75	–4.6	782.25	–3.4	800.75	–3.2	-
Taiwan	(T$)	27.2870	–0.001	860 - 880	27.2950	27.2860	27.307	–0.9	27.347	–0.9	-	-	-
Thailand	(Bt)	25.1900	+0.0075	800 - 000	25.2050	25.1750	25.2888	–4.7	25.4925	–4.8	26.375	–4.7	-

† SDR rate per $ for Dec 28. Bid/offer spreads in the Dollar Spot table show only the last three decimal places. Forward rates are not directly quoted to the market but are implied by current interest rates. UK, Ireland & ECU are quoted in US currency. J.P. Morgan nominal indices Dec 28: Base average 1990=100

WORLD INTEREST RATES

MONEY RATES

December 29	Over night	One month	Three mths	Six mths	One year	Lomb. Inter.	Dis. rate	Repo rate
Belgium	3¼	3¼	3¾	3⅝	3⅝	7.00	3.00	–
week ago	3⅜	3¾	3⅝	3⅝	3⅜	7.00	3.00	–
France	4¾	4⅜	4⅝	4⅝	4⅞	4.45	–	5.85
week ago	4⅝	4⅝	5⅛	5⅛	5¼	4.45	–	5.85
Germany	3⅝	3⅝	3¾	3⅝	3¾	5.00	3.00	3.75
week ago	3⅜	3⅜	3⅜	3⅝	3⅝	5.00	3.00	3.75
Ireland	5⅝	5¾	5½	5⅝	5⅝	–	–	6.25
week ago	5⅝	5¾	5½	5⅝	5⅝	–	–	6.25
Italy	10½	10¾	10¼	10⅛	10¾	–	9.00	10.50
week ago	10¾	10¾	10⅝	10⅝	10¼	–	9.00	10.67
Netherlands	3⅞	3½	3½	3½	3⅞	–	3.00	3.40
week ago	3⅛	3½	3½	3⅜	3½	–	3.50	3.40
Switzerland	1⅝	1¾	1¾	1⅝	1⅝	5.00	1.50	–
week ago	1⅝	1¾	1⅝	1⅝	1¾	5.00	2.00	–
US	5⅝	5¾	5⅝	5⅝	5⅝	–	5.25	–
week ago	5¾	5¾	5⅝	5¾	5⅝	–	5.25	–
Japan	⅜	½	⅜	½	⅝	–	0.50	–
week ago	⅜	½	¼	½	⅝	–	0.50	–
■ $ LIBOR FT London Interbank Fixing	–	5⅝	5⅝	5½	5⅜	–	–	–
week ago	–	5⅝	5⅝	5⅝	5¼	–	–	–
US Dollar CDs	–	5.13	5.25	5.25	5.20	–	–	–
week ago	–	5.13	5.25	5.25	5.20	–	–	–
ECU Linked Ds	–	5⅜	5⅜	5⅛	5⅛	–	–	–
week ago	–	5½	5⅜	5⅛	5¼	–	–	–
SDR Linked Ds	–	3⅝	3½	3⅜	3⅝	–	–	–
week ago	–	3⅝	3⅝	3⅜	3⅝	–	–	–

$ LIBOR interbank fixing rates are offered rates for $10m quoted to the market by four reference banks at 11am each working day. The banks are: Bankers Trust, Bank of Tokyo, Barclays and National Westminster.
Mid rates are shown for the domestic Money Rates, US$ CDs, ECU & SDR Linked Deposits (Ds).

EURO CURRENCY INTEREST RATES

Dec 29	Short term	7 days notice	One month	Three months	Six months	One year
Belgian Franc	3⅞ - 3⅝	3⅞ - 3⅝	3⅞ - 3¾	3⅞ - 3¾	3⅞ - 3¾	3⅞ - 3¾
Danish Krone	4⅛ - 4	4¼ - 4⅛	4⅜ - 4⅛	4⅜ - 4¼	4⅜ - 4¼	5 - 4¾
D-Mark	3⅝ - 3½	3⅝ - 3½	3⅞ - 3¾	3¾ - 3⅝	3¾ - 3⅝	3¾ - 3⅝
Dutch Guilder	3⅝ - 3½	3⅝ - 3½	4⅛ - 4	4⅛ - 4	4⅛ - 4	4⅛ - 4
French Franc	5⅛ - 4⅞	4⅞ - 4¾	4⅞ - 4¾	5⅛ - 5	5⅛ - 5	5⅛ - 5
Portuguese Esc.	8⅞ - 8⅝	8⅝ - 8½	8⅞ - 8¾	8⅞ - 8¾	9⅛ - 8⅞	9 - 8⅞
Spanish Peseta	10 - 9½	9½ - 9¼	9⅜ - 9⅛	9¼ - 9	9⅛ - 8⅞	8⅞ - 8⅝
Sterling	6½ - 6⅜	6½ - 6⅜	6½ - 6⅜	6⅜ - 6¼	6⅜ - 6¼	6⅛ - 6
Swiss Franc	1⅞ - 1¾	1⅞ - 1¾	1⅞ - 1¾	1⅞ - 1¾	1⅞ - 1¾	1⅞ - 1¾
Can. Dollar	5⅝ - 5½	5⅞ - 5¾	5¾ - 5⅝	5⅝ - 5½	5⅝ - 5½	5⅝ - 5½
US Dollar	5⅞ - 5¾	5⅝ - 5½	5¾ - 5⅝	5⅝ - 5½	5⅝ - 5½	5⅝ - 5½
Italian Lira	10⅞ - 10⅝	10⅝ - 10⅜	10½ - 10¼	10⅝ - 10¼	10⅜ - 10⅛	10¼ - 10
Yen	⅞ - ⅝	⅝ - ½	½ - ¼	½ - ¼	½ - ¼	½ - ⅜
Asian $Sing	3⅛ - 3	2¼ - 2⅛	2¼ - 2⅛	2¼ - 2⅛	2¼ - 2⅛	2⅞ - 2¾

Short term rates are call for the US Dollar and Yen, others: two days' notice.

■ **THREE MONTH PIBOR FUTURES** (MATIF) Paris interbank offered rate (FFr5m)

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Mar	95.01	94.99	+0.04	95.01	94.97	8,116	48,853
Jun	95.15	95.21	+0.05	95.21	95.15	1,844	41,768
Sep	95.19	95.21	+0.02	95.26	95.19	1,648	28,211

■ **THREE MONTH EUROMARK FUTURES** (LIFFE)* DM1m points of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Mar	96.43	96.45	+0.03	96.45	96.43	4832	189290
Jun	96.58	96.55	+0.01	96.58	96.54	2110	137363
Sep	96.53	96.55	+0.02	96.55	96.53	1468	114772
Dec	96.39	96.41	+0.03	96.41	96.39	2671	114628

■ **THREE MONTH EUROLIRA FUTURES** (LIFFE)* L1000m points of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Mar	90.13	90.16	+0.06	90.22	90.13	3967	42039
Jun	90.48	90.52	+0.04	90.55	90.48	408	22868
Sep	90.60	90.64	+0.07	90.65	90.60	229	13066
Dec	90.63	90.64	+0.07	90.66	90.63	137	6548

■ **THREE MONTH EURO SWISS FRANC FUTURES** (LIFFE) SFr1m points of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Mar	98.35	98.32	-0.01	98.36	98.31	919	22331
Jun	98.36	98.39	+0.02	98.39	98.36	14	12651
Sep	-	98.31	-	-	-	0	9179
Dec	-	98.07	-	-	-	0	650

■ **THREE MONTH ECU FUTURES** (LIFFE) Ecu1m points of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Mar	95.06	95.07	+0.02	95.08	95.06	210	6609
Jun	-	95.19	+0.02	-	-	0	4424
Sep	-	95.14	+0.01	-	-	0	2304
Dec	95.08	95.06	+0.02	95.08	95.08	13	1601

* LIFFE futures also traded on APT

CROSS RATES AND DERIVATIVES

EXCHANGE CROSS RATES

Dec 29		BFr	DKr	FFr	DM	I£	L	Fl	NKr	Es	Pta	SKr	SFr	£	C$	$	Y	Ecu
Belgium	(BFr)	100	18.83	16.62	4.863	2.121	5391	5.446	21.47	507.9	412.3	22.52	3.911	2.189	4.636	3.399	350.6	2.653
Denmark	(DKr)	53.10	10	8.825	2.583	1.126	2863	2.893	11.40	269.5	219.0	11.96	2.077	1.163	2.462	1.805	186.2	1.409
France	(FFr)	60.17	11.33	10	2.926	1.278	3244	3.278	12.92	305.4	248.1	13.55	2.353	1.317	2.789	2.045	211.0	1.596
Germany	(DM)	20.56	3.872	3.417	1	0.436	1108	1.120	4.414	104.4	84.79	4.631	0.804	0.450	0.953	0.699	72.10	0.545
Ireland	(I£)	47.15	8.879	7.836	2.293	1	2542	2.569	10.12	239.3	194.4	10.62	1.844	1.032	2.186	1.603	165.3	1.251
Italy	(L)	1.855	0.349	0.308	0.090	0.039	100.	0.101	0.398	9.415	7.649	0.418	0.073	0.041	0.086	0.063	6.504	0.049
Netherlands	(Fl)	18.36	3.457	3.051	0.893	0.389	989.6	1	3.941	93.17	75.69	4.134	0.718	0.402	0.851	0.624	64.36	0.487
Norway	(NKr)	46.58	8.772	7.741	2.265	0.988	2511	2.537	10	236.4	192.1	10.49	1.822	1.019	2.159	1.583	163.3	1.236
Portugal	(Es)	19.70	3.710	3.274	0.958	0.418	1062	1.073	4.230	100.	81.24	4.437	0.771	0.431	0.913	0.670	69.06	0.523
Spain	(Pta)	24.25	4.567	4.030	1.179	0.514	1307	1.321	5.206	123.1	100.	5.462	0.949	0.531	1.124	0.824	85.03	0.643
Sweden	(SKr)	44.40	8.362	7.379	2.159	0.942	2394	2.418	9.533	225.4	183.1	10	1.737	0.972	2.058	1.509	155.7	1.178
Switzerland	(SFr)	25.57	4.815	4.249	1.243	0.542	1378	1.393	5.489	129.8	105.4	5.758	1	0.560	1.185	0.869	89.65	0.679
UK	(£)	45.68	8.604	7.593	2.222	0.969	2463	2.489	9.809	231.8	188.4	10.29	1.787	1	2.118	1.553	160.2	1.212
Canada	(C$)	21.57	4.062	3.585	1.049	0.458	1163	1.175	4.631	109.5	88.95	4.858	0.844	0.472	1	0.733	75.64	0.572
US	($)	29.42	5.540	4.889	1.431	0.624	1586	1.603	6.319	149.3	121.3	6.626	1.151	0.644	1.364	1	103.2	0.780
Japan	(Y)	28.52	5.371	4.740	1.387	0.605	1537	1.554	6.123	144.8	117.9	6.423	1.115	0.624	1.322	0.969	100.	0.757
Ecu		37.70	7.099	6.265	1.833	0.800	2032	2.054	8.093	191.3	155.4	8.490	1.474	0.825	1.748	1.281	132.2	1

Danish Kroner, French Franc, Norwegian Kroner, and Swedish Kronor per 10; Belgian Franc, Yen, Escudo, Lira and Peseta per 100.

■ **D-MARK FUTURES** (IMM) DM 125,000 per DM

	Open	Latest	Change	High	Low	Est. vol	Open int.
Mar	0.6974	0.7010	+0.0031	0.7013	0.6966	14,065	48,151
Jun	0.7035	0.7035	+0.0026	0.7035	0.7035	78	2,868
Sep	–	0.7037	–	–	–	5	1,089

■ **SWISS FRANC FUTURES** (IMM) SFr 125,000 per SFr

	Open	Latest	Change	High	Low	Est. vol	Open int.
Mar	0.8720	0.8759	+0.0035	0.8769	0.8713	7,479	33,638
Jun	0.8827	0.8827	+0.0025	0.8835	0.8827	34	961
Sep	–	0.8915	+0.0040	0.8915	–	2	87

■ **JAPANESE YEN FUTURES** (IMM) Yen 12.5 per Yen 100

	Open	Latest	Change	High	Low	Est. vol	Open int.
Mar	0.9851	0.9806	–0.0039	0.9851	0.9791	9,606	64,041
Jun	0.9945	0.9920	–0.0045	0.9945	0.9920	114	2,024
Sep	–	1.0082	–	–	–	129	293

■ **STERLING FUTURES** (IMM) £62,500 per £

	Open	Latest	Change	High	Low	Est. vol	Open int.
Mar	1.5444	1.5444	+0.0002	1.5506	1.5406	12,068	31,168
Jun	1.5450	1.5450	+0.0036	1.5450	1.5430	3	22
Sep	–	1.5430	+0.0046	1.5430	–	3	&

EMS EUROPEAN CURRENCY UNIT RATES

Dec 29	Ecu cen. rates	Rate against Ecu	Change on day	% +/- from cen. rate	% spread v weakest	Div. ind.
Netherlands	2.15214	2.10857	–0.0008	–2.02	5.71	15
Spain	162.493	159.549	+0.108	–1.81	5.48	13
Belgium	39.3960	38.6979	+0.0005	–1.77	5.44	13
Germany	1.91007	1.88397	–0.00031	–1.37	5.00	14
Austria	13.4383	13.2554	–0.0029	–1.36	5.00	10
Denmark	7.28580	7.29536	+0.00133	0.13	3.43	–1
Portugal	195.792	196.505	–0.477	0.36	3.19	–2
France	6.40608	6.43979	–0.00605	0.53	3.03	–4
Ireland	0.792214	0.820478	+0.00204	3.57	0.00	–24
NON ERM MEMBERS						
Greece	292.867	311.567	–0.64	9.39	–2.65	–
Italy	2106.15	2082.71	+0.04	–1.11	4.73	–
UK	0.786652	0.847242	+0.002081	7.70	–3.84	–

Ecu central rates set by the European Commission. Currencies are in descending relative strength. Percentage changes are for Ecu; a positive change denotes a weak currency. Divergence shows the ratio between two spreads: the percentage difference between the actual market and Ecu central rates for a currency, and the maximum permitted percentage deviation of the currency's market rate from its Ecu central rate.
(17/9/92) Sterling and Italian Lira suspended from ERM. Adjustment calculated by the Financial Times.

■ **PHILADELPHIA SE £/$ OPTIONS** £31,250 (cents per pound)

Strike Price	CALLS Jan	CALLS Feb	CALLS Mar	PUTS Jan	PUTS Feb	PUTS Mar
1.520	2.64	3.24	3.81	0.18	0.39	1.57
1.530	1.87	2.57	3.20	0.27	1.22	1.95
1.540	1.18	2.04	2.64	0.59	1.61	2.40
1.550	0.67	1.55	2.21	1.08	2.06	2.87
1.560	0.33	1.10	1.79	1.74	2.61	3.45
1.570	0.15	0.76	1.43	2.51	3.28	3.90

Previous day's vol., Calls N/A Puts N/A. Prev. day's open int., Calls N/A Puts N/A

■ **THREE MONTH EURODOLLAR** (IMM) $1m points of 100%

	Open	Latest	Change	High	Low	Est. vol	Open int.
Mar	94.67	94.69	+0.03	94.69	94.66	56,258	445,782
Jun	94.93	94.93	+0.01	94.95	94.92	49,911	368,596
Sep	94.98	94.99	+0.01	95.01	94.98	22,430	248,446

■ **US TREASURY BILL FUTURES** (IMM) $1m per 100%

	Open	Latest	Change	High	Low	Est. vol	Open int.
Mar	95.16	95.16	+0.03	95.16	95.15	1,202	7,371
Jun	95.37	95.38	+0.02	95.38	95.36	350	4,241
Sep	-	95.41	-	-	-	4	133

All Open interest figs. are for previous day

■ **EUROMARK OPTIONS** (LIFFE) DM1m points of 100%

Strike Price	CALLS Jan	CALLS Feb	CALLS Mar	CALLS Jun	PUTS Jan	PUTS Feb	PUTS Mar	PUTS Jun
9625	0.21	0.23	0.25	0.38	0.01	0.03	0.05	0.08
9650	0.03	0.05	0.08	0.22	0.08	0.10	0.13	0.17
9675	0.01	0.02	0.01	0.10	0.31	0.32	0.31	0.30

Est. vol. total, Calls 1280 Puts 3403. Previous day's open int., Calls 189397 Puts 211673

■ **EURO SWISS FRANC OPTIONS** (LIFFE) SFr 1m points of 100%

Strike Price	CALLS Mar	CALLS Jun	CALLS Sep	PUTS Mar	PUTS Jun	PUTS Sep
9825	0.14	0.25	0.29	0.07	0.11	0.23
9850	0.03	0.11	0.18	0.21	0.22	0.35
9875	0.01	0.03	0.07	0.44	0.39	0.51

Est. vol. total, Calls 0 Puts 0. Previous day's open int., Calls 6990 Puts 2706

UK INTEREST RATES

LONDON MONEY RATES

Dec 29	Over-night	7 days notice	One month	Three months	Six months	One year
Interbank Sterling	6⅝ - 2	6½ - 6	6½ - 6⅜	6⁵⁄₁₆ - 6⁷⁄₁₆	6⁷⁄₁₆ - 6⁵⁄₁₆	6⅜ - 6¼
Sterling CDs	-	-	6½ - 6⁷⁄₁₆	6½ - 6⁷⁄₁₆	6¹¹⁄₃₂ - 6⁵⁄₁₆	6¼ - 6³⁄₁₆
Treasury Bills	-	-	6⅜ - 6⁵⁄₁₆	6¼ - 6³⁄₁₆	-	-
Bank Bills	-	-	6¹⁵⁄₃₂ - 6¹³⁄₃₂	6⁵⁄₁₆ - 6¼	6⁵⁄₃₂ - 6⅛	-
Local authority deps.	6⁹⁄₁₆ - 5⁷⁄₁₆	6¹³⁄₁₆ - 5⁷⁄₁₆	6⁹⁄₁₆ - 6⁷⁄₁₆	6⁹⁄₁₆ - 6⁷⁄₁₆	6⅜ - 6¼	6⁵⁄₁₆ - 6³⁄₁₆
Discount Market deps	6½ - 5	6⁷⁄₁₆ - 6⅜	-	-	-	-

UK clearing bank base lending rate 6½ per cent from December 13, 1995

	Up to 1 month	1-3 month	3-6 months	6-9 months	9-12 months
Certs of Tax dep. (£100,000)	2½	5½	5	5	4¾

Certs of Tax dep. under £100,000 is 2½pc. Deposits withdrawn for cash 1¼pc.
Ave. tender rate of discount 6.2159pc. ECGD fixed rate Stg. Export Finance. Make up day Dec 29, 1995. *Agreed rate for period Jan 24, 1995 to Feb 25, 1996, Schemes II & III 7.82pc. Reference rate for* period Dec 1, 1995 to Dec 29, 1995, Schemes IV & V 6.552pc. Finance House Base Rate 7pc from January 1, 1995

■ **THREE MONTH STERLING FUTURES** (LIFFE) £500,000 points of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Mar	93.76	93.75	-0.01	93.76	93.74	6606	89567
Jun	93.93	93.91	-0.02	93.95	93.88	2717	60090
Sep	93.96	93.95	-0.01	93.98	93.93	1770	50261
Dec	93.85	93.84	-0.01	93.87	93.83	866	35764
Mar	93.70	93.69	-	93.70	93.67	879	31240

Also traded on APT. All Open interest figs. are for previous day.

■ **SHORT STERLING OPTIONS** (LIFFE) £500,000 points of 100%

Strike Price	CALLS Mar	CALLS Jun	CALLS Sep	PUTS Mar	PUTS Jun	PUTS Sep
9375	0.13	0.34	0.47	0.13	0.18	0.27
9400	0.04	0.20	0.33	0.29	0.29	0.38
9425	0.01	0.10	0.22	0.51	0.44	0.52

Est. vol. total, Calls 1581 Puts 1259. Previous day's open int., Calls 92534 Puts 85678

BASE LENDING RATES

	%		%		%
Adam & Company	6.50	Duncan Lawrie	6.50	Royal Bk of Scotland	6.50
Allied Trust Bank	6.50	Exeter Bank Limited	7.50	●Singer & Friedlander	6.50
AIB Bank	6.75	Financial & Gen Bank	7.50	●Smith & Williamson Secs.	6.50
●Henry Ansbacher	6.50	●Robert Fleming & Co	6.50	TSB	6.75
Bank of Baroda	6.50	Girobank	6.75	United Bank of Kuwait	9.75
Banco Bilbao Vizcaya	6.50	●Guinness Mahon	6.50	Unity Trust Bank Plc	6.50
Bank of Cyprus	6.50	Habib Bank AG Zurich	6.50	Western Trust	6.50
Bank of Ireland	6.50	●Hambros Bank	6.50	Whiteaway Laidlaw	6.50
Bank of India	6.50	Heritable & Gen Inv Bk	6.75	Yorkshire Bank	6.50
Bank of Scotland	6.50	●Hill Samuel	6.75		
Barclays Bank	6.50	C. Hoare & Co	6.50		
Brit Bk of Mid East	6.50	Hongkong & Shanghai	6.50		
●Brown Shipley & Co Ltd	6.50	Julian Hodge Bank	6.50		
Citibank NA	6.50	●Leopold Joseph & Sons	6.50		
Clydesdale Bank	6.50	Lloyds Bank	6.50		
The Co-operative Bank	6.75	Meghraj Bank Ltd	6.50		
Coutts & Co	6.50	Midland Bank	6.50		
Credit Lyonnais	6.50	* Mount Credit Corp	6.50		
Cyprus Popular Bank	6.75	NatWestminster	6.50		
		●Rea Brothers	6.50		

● Members of London Investment Banking Association
* In administration

■ **EUROLIRA OPTIONS** (LIFFE) L1000m points of 100%

Strike Price	CALLS Mar	CALLS Jun	CALLS Sep	PUTS Mar	PUTS Jun	PUTS Sep
9000	0.44	0.80	1.02	0.28	0.28	0.38
9025	0.31	0.64	0.85	0.40	0.37	0.46
9050	0.20	0.50	0.70	0.54	0.48	0.56

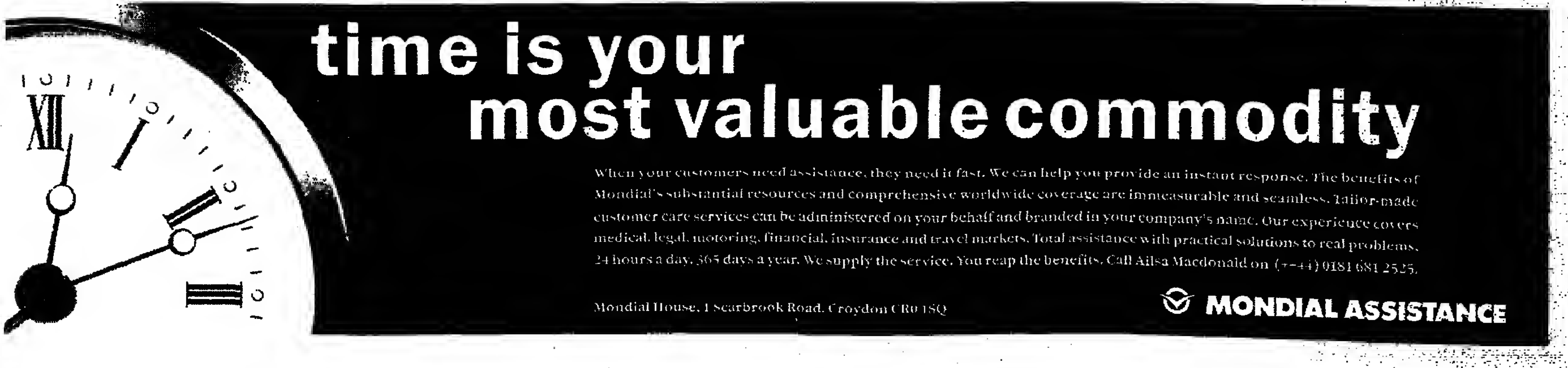
Est. vol. total, Calls 0 Puts 0. Previous day's open int., Calls 7816 Puts 4465

■ **OTHER CURRENCIES**

Dec 29	£	$
Czech Rp	41.3859 - 41.4147	26.6610 - 26.6710
Hungary	212.013 - 212.237	136.580 - 136.680
Iran	4658.40 - 4666.90	3000.00 - 3000.00
Kuwait	0.4643 - 0.4651	0.2991 - 0.2995
Poland	3.8272 - 3.8323	2.4655 - 2.4680
Russia	7243.81 - 7272.53	4665.00 - 4665.00
U.A.E.	5.7011 - 5.7034	3.6727 - 3.6730

FT GUIDE to WORLD CURRENCIES

The FT Guide to World Currencies table can be found on the Companies & Finance page in today's edition.



Weekend FT

Adults are coming to fear the young and the deadly weapons they have in their hands. **Joe Rogaly** reports

The growing forces of darkness in our cities

It is midnight. A young nanny arrives at the empty home of her north London employers. Mother, father and children are away on holiday. The nursemaid tries her key but finds the door bolted from inside. She shivers. She turns to her date; they hold their ears to the glass pane, quickly deduce that burglars are at work. They run to a callbox, and are put through to the local police.

"We cannot spare anyone," the young woman is told. "There's been a murder in a pub in the high street. All our available forces are dealing with that."

An opportunity to increase the rate of arrests for breaking and entering is thus lost. The denouement is not too terrible. The burglars act like professionals, too busy to trash the house. They take valuable items only. The insurance company pays up. The householder is told to put in an alarm if he wants his policy renewed.

In short, a commonplace property crime. That is, alas, not the whole story.

A few blocks away, early on another day, a teenage girl screams. People peer through the windows of their terraced houses, still sleepy, unsure. One woman realises that what she has witnessed in her front yard is a rape. The villain looks young. She goes quietly to the telephone. This time the police arrive within minutes, and make an arrest.

These are true accounts. Most of us can recall at least one such anecdote. For residents of cities the incidence of crime, even violent assault, is a matter of everyday conversation, and growing apprehension. The outlook for the final years of the present century is grim. In many cities in Europe and most in the US people are at best circumspect, at worst fearful, particularly after dark.

The daylight is not necessarily protective. Shortly before Christmas, Philip Lawrence, a popular headmaster, was stabbed to death when he sought to rescue one of his pupils from a gang of young ruffians. That was in north-west London. The media and therefore politicians of all parties responded with views about the propensity to carry knives. Grown-ups are beginning to be afraid of the coming generation.

In the US this alarm is palpable. Speaking from his office in Boston, James Alan Fox, dean of the college of criminal justice at Northeastern University, predicts a teenage bloodbath in the next 10 years. Dean Fox's 1978 forecasts of the incidence of crime proved remarkably accurate in the subsequent decade. He used an econometric model, in which demographics – in particular the changing size of the population of young men – are the strongest indicator.

> The present generation of youth in the US, says a report, is more menacing than its predecessors

The present generation of youth in the US, he intimated in a recent report commissioned by the US department of justice, is more menacing than its predecessors. That is what he told Janet Reno, the attorney general. (He is also an adviser to Bill Clinton.) Today's young people have "more dangerous drugs in their bodies, more deadly weapons in their hands and a seemingly more casual attitude about violence", he writes.

The evidence is stark. In 1993 the rate of homicide offences committed by black males aged between 14 and 17 stood at 147 per 100,000 population. The picture of self-destructing city-centre ghettoes is well-known outside the US. Most of the victims were from the same areas as the perpetrators.

The homicide figure of killings by young whites, 14 per 100,000, may seem low by comparison, but it was twice as high in 1993 as in 1976. This too is extraordinary by European standards. To take just one indicator, the overall murder rate in the UK is 1.3 per 100,000.

Between 1987 and 1994 the number of crimes of violence recorded by the police rose sharply in many countries. Taking a definition that includes robbery and sexual offences, the increase was 77 per cent in New Zealand, 61 per cent in France, and nearly as much in the Netherlands. It was 38 per cent in Canada, 31 per cent in west Germany, and about the same in the US. In England and Wales the rise was 57 per cent.

No crime statistics, least of all international comparisons, should be regarded as precise measures of reality. Sampling techniques, such as the British Crime Survey, indicate how many victims recall being robbed, or mugged, or whatever. There are always more than the police records suggest, sometimes by a wide margin. People report car thefts when insurance companies require them to do so. Much violence against the person

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CONTENTS

John Plender

The oyster reveals all

The mollusc can tell us much about Anglo-French relations

The French and British have lived in a state of mutual incomprehension for so long that it will no doubt appear quixotic to suggest that the relationship is not beyond hope. It will seem even more quixotic when I explain that I advance this hypothesis, along with a handful of related new year resolutions for the political classes, on the basis of reading a book about oysters.

This is no joke. The author is a distinguished former professor of economics, Robert Neild of Cambridge, no less; and he points out that in writing a history of the oyster in Britain and France, he came to realise that he had written a history of how the two countries managed their affairs. This is indeed the case. What is more, the former professor sheds much sympathetic light on the two countries without betraying undue prejudice.

Even without this particular slant, the oyster is a great subject for a book. For a start, it has sex, and perverted sex at that, since the hapless mollusc is hermaphroditically challenged. In one reproductive cycle it will be male and produce sperm, while in another it turns female and produces eggs. Hence the immortal lines of Ogden Nash:

The oyster's a confusing suitor
It's masc., and fem., and even neuter.
At times it wonders, may what come,
Am I husband, wife or chum.

Ostrea edulis, to take its highest and most delectable manifestation, featurea heavily, too, in art and literature. But our concern here is with political economy. The starting point of the oyster-loving Mr Neild's book is a question: why is oyster production in Britain now a fraction of what it was in the mid-19th century, while in France it has actually increased?

The difference, it seems, cannot be explained by taste, climate or other physical disparities between the two countries. It is rather to do with contrasting approaches to problems such as over-fishing. In France, a certain Monsieur Coste wrote a report for Napoleon III advocating tight controls over the oyster industry, in a form that might today be called practitioner-based, state-enforced regulation. The recommendations were implemented with the same Colbertian decisiveness that the emperor brought to commissioning the rebuilding of Paris. Like Haussman's boulevards, the architecture of the regulatory system governing the French oyster industry remains visible today.

In Britain, in contrast, a Royal Commission, on which the Darwinian scientist T.H. Huxley wielded a powerful influence, pronounced on the basis of no scientific evidence whatsoever that it was impossible for an oyster shortage to result from overfishing. The commission was appointed in 1863, when the laissez-faire tide was in full flood. It advocated the total removal of restrictions on sea-fishing. The result was that public regulation was swept away, while a new system of private enclosure for oysters was so complex and costly that it failed to establish appropriate incentives for investment in breeding stock.

> Why is oyster production in Britain now a fraction of what it was?

Mr Neild is too subtle to suggest that this crudely contrasting picture is the whole story. He sees the outcome over private enclosure as the natural child of British property law, with its rich inheritance of complexity and ambiguity, and of a government trying to create powers to enclose property without injuring existing property rights. And while he recognises the advantages of Colbertian mercantilism for the cultivation of oysters, he also acknowledges its shortcomings elsewhere.

The point is that neither blanket Anglo-Saxon condemnation of regulation, nor the enthusiasm of British Francophiles for dirigiste solutions, are any substitute for careful analysis, which is the key to dispelling paranoia on either *side of the channel*.

For those who see British national decline in the way trains slow dramatically as they emerge on the British side of the channel tunnel, a good new year'a resolution would be to look at the costs as well as tha benefits of France'a appealingly swift trains. SNCF, the nationalised French rail network, will absorb £6.5bn of public funds this year; its hopelessly insolvent pension fund takes a further £2bn a year; and its outstanding debts exceed 2½ per cent of national income.

So French speed comes at quite a price. The need to address the financial consequences helps explain why the French government has riots on the streets. If trains are slow on the British side, it also reflects the more protective attitude to property rights that helped ditch the British oyster industry.

For the Anglo-Saxon deregulators, there should be a new year's resolution to distinguish between those regulations that kill firms and those that help preserve them. Allowing public health inspectors to threaten the business of domestic cheese producers on the basis of bad science is perverse. But so, too, was the historic under-regulation of the oyster industry, which reduced supply and jeopardised consumers' health, *thereby contributing to* reduced demand.

It would be pleasing, too, if deputy prime minister Michael Heseltine and Roger Freeman, public service minister, could temper their war on red tape by noting that there is under-regulation as well as over-regulation. Do we, for example, have to wait until ex-convicts have robbed and murdered several citizens before Britain's ghastly private security industry is properly regulated?

A good new year's resolution for the general reader, meantime, would be to read the book, which explains how to identify, understand and savour the oyster, as well as grasp its political economy. Brillat-Savarin, the great 19th century gourmand, would have recognised a worthy, if strangely economical, successor in the splendid Mr Neild.

■ *The English, the French and the Oyster. Quiller Press, £18.50*

PERSPECTIVES

The Nature of Things

Memories are made of this

Scientists are investigating how genetic make-up affects learning and recall. Andrew Derrington reports

How ara you going to remember your new year resolntions? What goes on in your brain when you form a new memory?

Earlier this month a scientific meeting in London, entitled "Genes and the Brain", beard bow the techniqnes of genetics and molecnlar biology are being brought to bear on one of the oldest questions in psychology, that of how memories are laid down.

James Watson, wbo shared the Nobel Prize for wnrking out the structure of DNA, the molecule that encodes all genetic information, opened the meeting with the suggestion that if we could understand the genetic basis of memory we might be able to enhance it. "Yon might be able to take a pill, then read a book the night before the examination and remember it," said Watson, who is now the director of the Cold Spring Harbour Laboratory in New York, one of the leading centres for research on the genes that control memory. Bnt then be admitted "this is science fiction at this stage". Science facts are a bit more prosaic.

Scientists attempting to study the binlogical processes underlying memory, whether they are driven by curiosity, or by dreams of the profits to be made from Watson's memory pill, bave always been brought down to earth by two problems. The first is that of devising a task and choosing an animal that can learn it reliably enough. The second problem, wbich arises as soon as you have devised a suitable task for your chosen animal, is getting at the "engram", as the elusive memory trace is known.

Early work nn the binlogy nf memory dedicated a great deal of time to unsuccessful attempts to locate the storehouse of memories in the brain of a rat. The approach was very simple – teach the rat which way it bas to go to find food or to avoid electric shock, and then remove part of its brain. If yon remove the engram, the animal *should fail to remember the task.* It turns out that the rat's memory depends more on how mnch brain he has left than on wnicb part. Even individual memories appear to be stored diffusely throughout large parts of the brain.

Biologists are now investigating how memories are laid down, rather than where. They bellieve that all durable learning, from the rat finding out which trap-door conceals the food, to the medical student learning the names of the bones in the hand, must involve changes in the strength or in the position of synapses – tha links that transmit information from one nerve cell to another in the brain. They now use simpler and more *powerful examples of learning that* make it possible to investigate these processes more directly.

One of the simplest learning tasks uses fruit flies. Flies exposed to a distinctive odour and given an electric shock at the same time, learn to avoid that odour in future. The flies, like medical students, can be tested in their hundreds. The insects are placed in a large test tnbe that opens into two side tnbes, one side tnbe contains the odour that was associated with shock, and the other contains a neutral odour. By comnting how many flies go into each side tnbe the experimenter can tell how well they have learned the lesson.

Tim Tully of the Cold Spring Harbour Laboratory told a meeting (organised by the Biotechnology & Biological Sciences Research Council and the Institute of Biology) how he uses the fly to study the genes that control memory formation. *Although the fly is the easiest* animal to nse for this type of work, it has taken Tully's laboratory 24 man-years to produce four mutations that affect learning. Six other mutations have been prodnced in other labs.

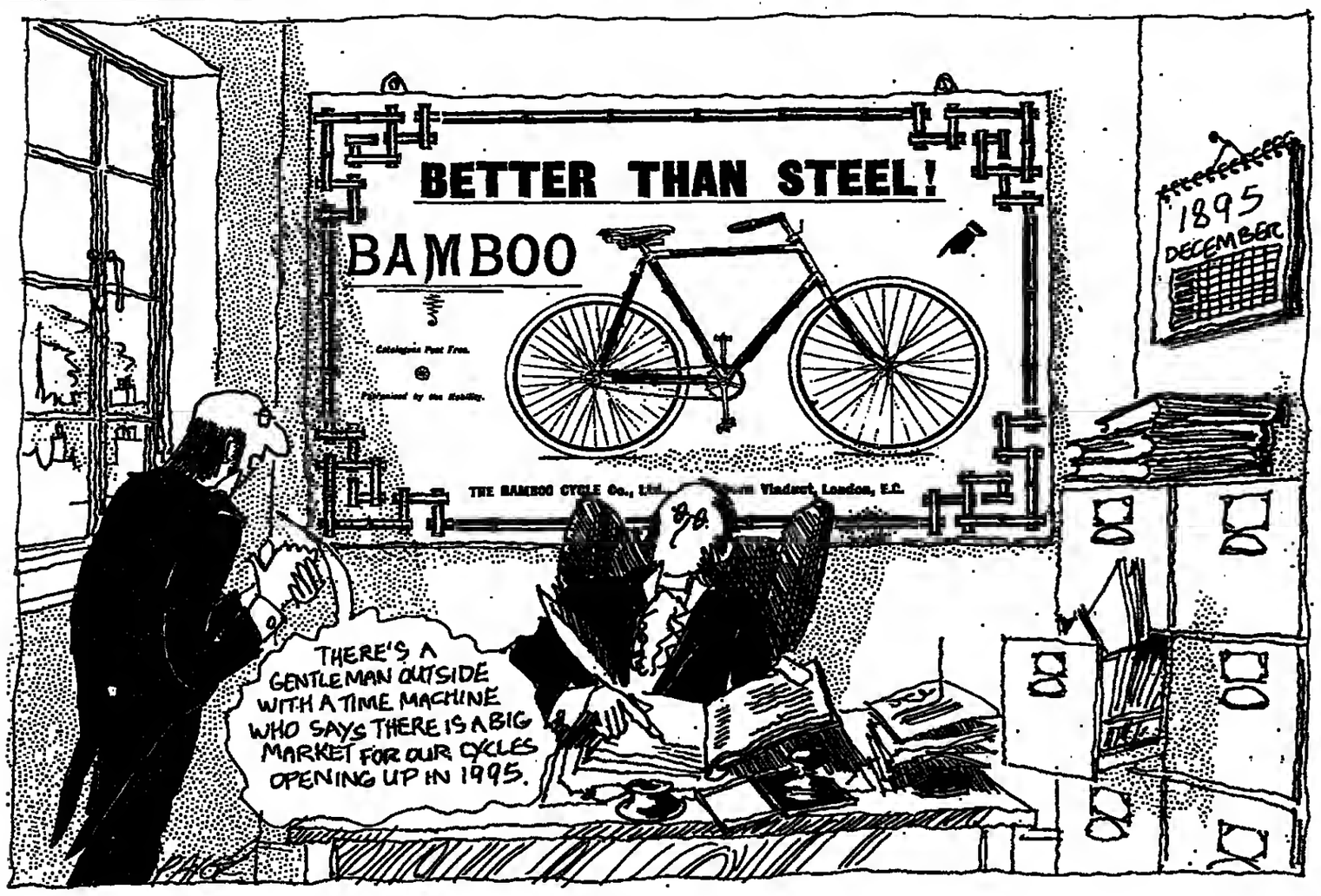
A gene called CREB appears to be central to the process of forming *long-term memories.* Tully has devised a technique for either inactivating it or enhancing its activity in adult flies. When CREB is inactivated, flies completely fail to form long-term memories. Enhancing its activity produces the equivalent of a fly with a photographic memory. It learns in a single trial what normal flies take many repeated trials to learn, and remembers perfectly for a week – the equivalent of 10 years for a human, according to Tully.

Tully is confident that the processes he is studying are common to all species. He points out that *manipulating the CREB gene or its* prodncts affects learning in worms and in mice, and that in Rnbenstein-Tabi syndrome, a common form of mental retardation in bumans, the defective gene is CREB.

Steven Rose of the Open University studies the biochemical mechanisms of learning in the chick. Althongh acknowledging that Tully's work – and particularly the ability to switch a gene on and off in the adult fly – is very exciting, he points out that there is a cascade of molecnlar processes involved in learning, of which CREB is involved in the earliest part. His own work concentrates on cell adhesion molecules, which stick the synapses together and which are important in the later stages of memory formation.

But if you are worried about remembering new year resolutions, forget CREB, forget cell adhesion molecules and write your resolntions down.

■ *The author is professor of psychology at the University of Nottingham.*



Minding Your Own Business

On a bicycle made of bamboo

Kieran Cooke meets an emigré who has returned to Ho Chi Minh City with a transport idea

It is used as scaffolding *throughout Asia; it is also* fashioned into furniture. You can cook with it; it makes a good water carrier; it can be eaten. Now you can ride it.

Bamboo has a wide variety of *applications. Quasar Khanh, a* Vietnamese designer, has come up with tbe strangest one yet. Khanh is making tbe "bambooclette" – a bicycle made largely out of bamboo. This month, the first shipment of 500 bicycles is due to leave Khanh's workshop in Ho Chi Minh City, formerly Saigon, for sale in Europe.

"Bamboo is a strong, durable material, able to stand all weathers," says Khanh. "It is also recyclable. Not everyone will want a bambooclette, but people love a new idea and we think it will work."

Now in his early fifties, Khanh has spent the main part of his life outside Vietnam. His family left Hanoi in 1949, when be was only five but he returned to Vietnam and set up sbop in Ho Chi Minh City three years ago. The Idea for the *bambooclette first came to him* in a Paris café, while be was having a pastis with a friend. Khanh said he was going to return to Vietnam and build a bamboo bicycle – the friend said be was mad.

"There are plenty of very talented designers in Vietnam," says Khanh. "We did not have too much trouble coming up with a bambooclette prototype. Now we are trying to get a proper production line going."

Not all the bambooclette is bamboo: the wheels and part of the frame are made of metal. The first models to be made are standard cycles for men and women, but production of a children's model is also in progress. Khanh is excited about the prospects of a mountain bike with an entire frame made out of thick bamboo.

Khanh has had plenty of strange ideas in his time. In the 1960s he designed the plastic inflatable furniture that became a by-word for chic in modern apartment living. At the same time he came up with the idea of a *plexiglass cube car* and started limited production in England.

"The concept was too advanced for the technology available at the time," be says.

His first wife, Emmanuelle Khanh, is also a designer and now beads one of the leading fashion houses in France. Togetber tbey thought up the ultimate piece of minimalist clothing – a mini skirt only a little larger than a belt.

> The problem has been trying to stop other makers stealing the idea

Michele, Khanh's second wife, runs the bambooclette business. She says very little start-up capital was needed. "Bamboo grows *everywhere* in Vietnam and is very cheap, so that is no problem." A lack of local suppliers however, means some parts such as brakes and wheels still bave to be imported. The big difficulty has been trying to stop other manufacturers stealing the idea.

There are no proper patent laws in Vietnam. After designing the prototype bambooclette, Khanh and Michele went to a state-run bicycle manufacturer in Hanoi to see if mass production was possible. "They said we were crazy," says Michele. "They laughed at us, saying it would never sell."

Three months later a bicycle remarkably similar to the bambooclette began to appear on the streets of Hanoi. The state company is also making plans to export its version of the bamboo cycles. Michele now spends most of her time with lawyers. The state company insists it has done no wrong.

"With no patent laws we have learned to be very careful," says Michele. For security's sake, production of the bambooclette is scattered at various workshops around Ho Chi Minh City.

Khanh is philosophical about the bicycle project. He is working on bigger things. His dream is to see a bridge he has designed built over the Saigon river in the middle of Ho Chi Minh City.

He estimates that once import taxes and various marketing costs have been paid, the bambooclette will sell in Europe's shops for between $400 and $500. The bridge over the river and associated developments will cost about $4bn.

"Vietnam is exciting; it is just emerging," says Khanh. "It is a place for new ideas, from bicycles to bridges. There are plenty of problems along the way but I have never regretted returning."

■ *Quasar Khanh Workshop, 201 Calmette Street, Ho Chi Minh City. Tel: 848-251124, fax: 848-210088*

Small Business Roundup

One step at a time to success

The upturn in the UK economy may have been disappointing this year, but for a number of the small businesses that have been featured in the Minding Your Own Business column it has been a year of solid achievements.

"Top of the form" for the year must be decorative teapot specialists, Cardew Design of Woodbury in Devon. The company, which featured in the column on March 9, achieved its projected £6m turnover, with profits of 20 per cent.

Designer and former art college lecturer Paul Cardew, 48, who started the 200-employee company from a rented lock-up garage four years ago, puts the success down to tha growing market for collectables, and being design-led.

The company, which sells about 40 per cent of production of its range of 56 "designer" teapots in the US, is represented across the Atlantic by Portmeirion Potteries, which recently bought a 15 per cent stake in Cardew and has an option on a further 5 per cent.

Paul Cardew and his friend and partner, Paul Kirven, 45, are on the point of raising another £500,000 (they already have £700,000) from the Bank of Scotland to expand the pottery at Bovey Tracey they took over in August 1994, together with its 30-strong staff.

"We have planning permission to develop 6½ acres there by adding further factory space, a shop, a restaurant and visitor centre and a staff canteen. Apart from going out and tackling the rest of the world in 1996, this should really put us on the map," said Cardew.

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In a much smaller way, the guidebook publishing company founded by Tim Stilwell in June 1993 and featured in this column in April has made solid progress. At the time of the feature, Stilwell Publishing of Charlotte Road, London EC2, was experiencing cash-flow problems because the returns from the sale of books and advertising were not coming in fast enough to cover the costs of new titles.

However, the owner, Tim Stilwell, has managed to borrow a further £20,000 from Lloyds Bank to add to the £20,000 he borrowed when be started the business.

"It means I have to pay £700 a month in repayments and interest," he said. "However, we are now up to four publications – one *more* than expected, I have achieved the projected £120,000 turnover, and although the net profits of £20,000 have not been as high as in year one, I am well satisfied. I have done a lot of *spending – on* a telephone system, a new computer and my first employee – and all this is investing in the future.

"In 1996 I should like to buy a well-known title that would dovetail nicely with the directories I started myself. To do this I would have to seek venture capital and I'd be looking at between £400,000 and £500,000. It's a lot to think about."

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The May feature on the Liverpool-based company making bowls for use by players worldwide has led to a big changes for director Phil Rigby and his 12 staff, and a change in name for the company.

The article reported that A.F. Ayers, makers of Greenmaster bowls, was suffering from chronic under-investment and was desperately short of working capital. As a result Rigby was approached by a number of organisations wishing to invest in nr buy tbe company. Eventually Rigby sold out to E.J. Riley of Burnley, a leading name in snooker equipment.

The renamed Greenmaster is still run by Rigby, who is busier than ever: "It bas been an excellent thing for both companies. I have had a buge liability remnved from my shoulders, and with the help of the marketing and sales expertise of E.J. Riley, which sells to 55 countries, I feel we can really move forward," he said.

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Business has also been brisk for Bristol-based Tim Richards. In April, the column reported that his company, Architectural Fine Art Commissions, was poised to do well with its range of high precision plaster models of architectural detailing in some of the world's great buildings. Richards had spent seven years building up the four-person company, having suffered four years of losses and a near disastrous fire in 1993.

"We expect turnover this year to be £150,000 – £10,000 more than expected – and bope to make a fairly good profit, despite having taken on an extra member of staff," said Richards.

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In January, the column reported the plight of street-organ builder Ian Alderman, who had struggled against ill-health and other adversity for more than 20 years to establisb bis one-man company, *only to be badly injured* in an assault five years ago. The experience left him with a neurological disease that has affected his sight, making close work difficult.

However, Alderman is still fight*ing on. He has completed three* organs this year, which have realised £3,500 each. In financial terms however he has done better with the rolls of punched-out street-organ music that be produces 10 *rolls at a time using* a computer-controlled machine developed by friends.

"I have done better financially this year," Alderman said: "Life is getting better and I am determined *to battle on.*"

Clive Fewins

Continued from Page I

The growing forces of darkness

remains unreported, since few claims are made. These discrepancies vary from country to country.

Yet whichever way you program the spreadsheet, the crime figures for England and Wales look disconcerting. Try, as a more or less neutral number, the trend-line for the total of recorded crimes per 100,000 population. This rose by nearly a third between 1987 and 1994; the figure is lower when you stir in Scotland and Northern Ireland. In Belgium it increased by just on 30 per cent between 1987 and 1993; in Australia it went up 10.4 per cent.

The US actually scored a slight overall fall in the same period, but then its uniform crime index, put out by the FBI, excludes certain offences, such as drugs, which are counted by the rest of us.

The British Home Office, source of many of the above statistics, notes that the international trend towards higher rates of overall recorded crime has been reversed in recent years. In 1994 there was a drop in 10 of 16 countries for which information is available. Greece recorded the sharpest fall; England and Wales came next.

No one can be certain whether this is a blip in a graph that in many developed countries has been rising for most of the past two decades. There have been other downturns, but none has turned out to be *permanent. One optimistic* theory is that the quantity of *actual* malfeasance has remained constant, or risen only slowly, while the propensity to *report* incidents to the police has risen to a peak, then levelled out.

This is not supported by the anecdotal evidence, nor by many of the trends in violent crime as opposed to mere theft. The rosy view is also dispelled by TV reports and newspaper stories, which feed the nervousness of potential victims, just as TV mayhem distorts the sensibilities of viewers. Every democratic politician knows that crime is high on the list of voters' anxieties. Few have any serious answers.

In the US, the populist solution has so far been better policing in some cities, harsher sentences, and more prisons. The first of these certainly seems to work. New York's *commissioner William* Bratton has shifted responsibility to the precincts and put extra forces into rough neighbourhoods. He has concentrated on prevention. The city's murder rate has fallen to the lowest in 25 years.

The cost-effectiveness of "deterrence" is less obvious. The US prison population has tripled over the past 15 years. In 1983 there were 96 inmates per 100,000 residents; by 1994 the figure was 188. In most European countries the comparable number is half that, or less, and the incidence of violent crime is far lower. Yet serving time in the US can be hard. Chain gangs have reappeared in some states. Is it economically justified?

Putting so many people in jail is expensive, whether or not you add what the courts may yet deem to be cruel and unusual punishments. In Calif*ornia*, which expects to double its incarceration rate once more by the turn of the century, universities are competing with penal institutions for state funds. One estimate suggests an additional $5.5bn cost to California's taxpayers.

Politicians who want to build more jails in order to win popular support will eventually have to count the cost in taxation. This is a dead-end policy. In England and Wales only 7 per ceot of all offences committed, whether recorded in the police complaints book or not, are "cleared up" – taken to court, or written off – and less than half of those result in a caution or a conviction.

> 'Although the problem of increasing crime is clear, solutions are less obvious'

A more promising line may be to induce the citizen to look after him or her self. The businesses to be in are locks, alarms, thief sprays, personal protection, and, in the US, hand-guns. According to David J. Pyle, we might realistically "accept that crime prevention is best achieved by individuals acting in their own interests".

Dr Pyle, an economist at the University of Leicester, wrote this in a recent paper published by the Institute of Economic Affairs, a London think-tank. "Although the *problem of* increasing crime is clear, solutions are less obvious," he says.

He thinks crimes are "deterred by increases in both the likelihood and severity of punishment," but recommends fines related to the offenders' wealth, because imprisonment is so expensive. The state can "aid and facilitate" self-protection, he says, "by, for example, providing tax incentives to encourage individuals to improve the security of their own property and to purchase private policing services".

The principle of self-help, or private provision to compensate for the public sector's inability to cope, is sound. The difficulty is that *while* most home-owners could afford window-bolts, very few have the spare cash *to* pay for a personal bodyguard. Only a handful can live in locked cars, drive to guarded garages and rise in tha lift to homes or offices on gated sites. Some inhabitants of Johannesburg and Los Angeles do just that.

It is clearly the way forward for the wealthy, and perhaps some of it will trickle down to the middle classes. In Orange County, new housing is designed around roads that follow the lines of a maze, *making* it harder for strangers to move about the estate.

Technology is not the whole *solution, however. It does not* account for crimes outside the gate, like the one that killed Philip Lawrence, the London school headmaster. It does not address unemployment-related theft. It does not begin to tackle anarchic behaviour by youngsters, many too young to be jailed.

Dean Fox reminds us that "the negative socialising forces of drugs, guns, gangs and the media have become more threatening," while "family, school, religion and neighbourhood have grown relatively weak".

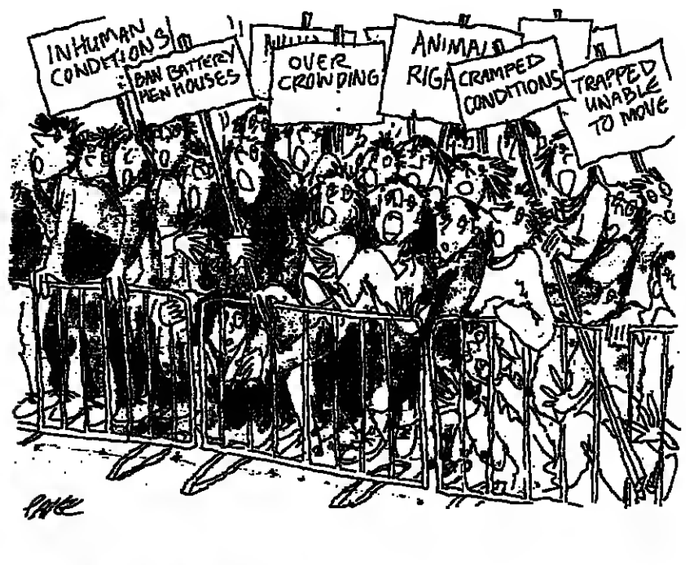
He would turn to the under-sixes and seek to compensate for the lack of full-time parental supervision by "reinvesting in schools, recreation, job *training*, support for families, and mentoring".

If that is the answer, it is unlikely to be heeded. Self-protection, technical fixes, police on the beat, and vindictive punishment are easier for politicians to sell. Watch your back.

Chess No.1107: 1 Qf5. If Bxa6 2 Qa5, or Re4-2 Nc5, or Rxa6 2 Qc5! Rxd5(Rxd4 3 Qc2) 3 Nxc5 mate.

PERSPECTIVES

Stranger than fiction – believe it or not



When the world seems it cannot get any wackier – it does. In 1995 there were enough amazing but true stories to fill a book.

We asked seven of the FT's correspondents around the world which event – no matter how trivial – seemed to sum up the year in the country in which they were based...

London

by William Hall

There can be few issues in 1995 that have split British society so widely as the question of how many times a week one should take a bath.

"Bath twice a day to be really clean, once a day to be passably clean, once a week to avoid being a public menace" was the advice of the late Anthony Burgess. At the other extreme is Trevor Newton, the well-paid managing director of Yorkshire Water. At the height of last summer's drought in Yorkshire, he said he had not taken a bath or shower for three months.

On cross-examination it emerged Newton had been bathing a bit more often than he admitted, albeit not in Yorkshire water. When he wanted a jolly good soak, he had nipped across to his in-laws on Teeside.

Newton comes from a part of the world where they used to sew children into their clothes to keep them warm during the winter. While the medical profession no longer recommends such drastic action, there was support for Newton's bathing habits.

Jim Dunlop, of the Royal Institute of Public Health and Hygiene, says: "If you rub yourself with a damp cloth you will get rid of all dirt and sweat. Disease will only arise if there is a break in the skin." For Norman Noah, of King's College, London, not having a bath may "not be a very sociable thing to do but scabies, lice and the other nasties are not prevented by washing". His tip is to sponge under the arms, the crotch and feet, and keep your hands clean.

However, Yorkshire Water's customers were less impressed by Newton's water-saving tips. After all, for the cost of a fortnight's salary he could afford to fill his bath tub up to the overflow with champagne, if he so chose.

And then there is the little matter of Kevin Bond, the chief executive of the National Rivers Authority, who is being recruited to help make sure that Yorkshire never runs out of water again. His salary will rise by about two-thirds when he joins Newton next April. Welcome to the company of the filthy rich, Dr Bond.

Berlin

by Judy Dempsey

Prussian bureaucracy is alive and thriving in Berlin, if the case of Werner Horst is anything to go by.

Horst, a 54-year-old Berliner, has been driving taxis for more than 33 years. Wanting a change, he decided to buy a London black cab and bring it back to the German capital. There was much excitement among his colleagues.

But as soon as Horst went to register the cab with the transport authorities of the Berlin senate, or government, the excitement turned to frustration.

With precision worthy of a Prussian, Horst went through all the legal requirements to get the taxi registered.

But no matter what he did, the transport senate refused to grant him permission to drive it. "They said I could not drive it because if the driver got a headache, or a heart attack, or was involved in an accident, the passenger would not be able to open the door and escape," said Horst. London cabs cannot be opened when in motion.

Horst was on the verge of despair. There was no way to persuade the authorities to change their mind.

In the end, he changed the passenger door locks, showed it to the senate again, and finally, just in time for the Christmas trade, the authorities gave Horst approval.

"What can you do?" he said. "It's just the way it is. The bureaucracy. The lack of imagination. The inflexibility. And the regulations."

Kuala Lumpur

by Kieran Cooke

The end of the Leeson trial. A tense day in a Singapore courtroom. A hard evening bashing away at the keyboard. A good meal and ah, the joy of the cut and thrust of intellectual conversation with one's press corps colleagues.

Afterwards, feeling suitably expansive, out on to Orchard Road, the local equivalent of the Champs Elysées, to hail a taxi. A long queue – so what better way to while away the time than in the company of a good cigar? Mindful of possible annoyance to others, I stand a little to one side.

Concerned citizen: "Cannot."

Cigar smoker: "Pardon?"

Concerned citizen: "In Singapore, cannot. Smoke in a queue. Not allowed. You will be fined."

Cigar smoker: "But where is the sign about not smoking?"

Concerned citizen: "A new rule. In any queue of three or more people smoking is prohibited."

Cigar smoker (becoming truculent): "In that case I'll form my own queue and carry on."

Concerned citizen (an edginess becoming apparent): "You people never obey the rules. We in Singapore don't like smoking. It is bad. It is a dirty habit."

Cigar smoker (becoming pompous): "I agree with you. But dirty habits can be enjoyable at times."

Concerned citizen: "Eh?"

At this point an extremely hairy and large Australian intervened.

Ned Kelly: "You heard the man. You should not be smoking. I think you should put it out." (Was that a crack of knuckles I heard?)

Cigar smoker (becoming emotional): "But you can't just pot out a cigar halfway through or put it behind your ear for later. Anyway, I've decided to have nothing more to do with this queue. I'd prefer to walk."

Ned Kelly to concerned citizen: "We're not all like him mate. Some of us have got a bit of respect for the local culture."

Concerned citizen: "These foreigners. They think they can come here and break our rules. You see what happened to Leeson? They should do the same to people like him."

The whole of the queue seemed to nod as I walked away.

Brussels

by Emma Tucker

If it's the nurses it must be Monday, if it's Greenpeace it must be Wednesday; if the Kosovans are blocking the road, it's time to take the metro.

Rain-swept Brussels is a poly-faceted city – the Flemish capital, the Belgian capital, the European capital and, it would seem, the world's demonstration capital, a mecca for any group with a grievance.

To an international melée of banner-waving Kurds, animal rights protesters, trades unions and (without fail) the Radical Party, can be added groups of chanting Belgians – a nation prone, at the slightest provocation, to *les manifestations*.

Last month it was Belgian students and taxi drivers – more recently firemen and tomato growers, all of whom keep the *gendarmerie* extremely busy.

Indeed, the view from the Financial Times office on an average morning is reminiscent of a Latin American country circa 1974, the street throbbing with over-sized trucks, water cannon, and blue-clad policemen.

Much of the time they sit awaiting orders, drinking coffee from the back of a little white van, and even genially offering to keep an eye on our illegally parked cars – for there is little solidarity between the gendarmes and *la police*, the latter responsible for the less glamorous business of doling out parking tickets.

But the real action is outside the new Council of Ministers' headquarters – the formidable Justus Lipsius building. Here *fonctionnaires* and journalists push past the good causes, immune to chants, even if the more spectacular displays attract the odd television camera.

It is not like the old days, say those who know, when demonstrators made sure their antics did not go unnoticed – like the farmers who dumped piles of manure outside the old council building and led a bemused-looking cow through its doors.

Today, safely inside the thick, granite building whose windows are meticulously sealed, visiting EU ministers need never know about the strenuous activity taking place outside, let alone the rain that is lashing the streets.

Milan

by Andrew Hill

Italian politicians have been living in a fantasy world (54 governments since the second world war) for so long, that if they want to make an impact they know they have to do something truly outrageous.

Marco Pannella, head of the radical Riformatori (reformists), has made a speciality out of this.

This year alone, in an attempt to win publicity for various causes, he has sought arrest on a Rome street for selling marijnana, risked his health with a hunger strike, and, last month, staged a nude press conference in protest at the national media's failure to cover his party's attempts to hold a new round of referenda.

Pannella delegated the task of baring all for politics to eight party members, seven men and one woman, who appeared on the stage of a Rome theatre.

The rules were strict: fixed television cameras in the dress circle, no flash photography and no journalists in the first four rows of the stalls.

The fad seems unlikely to catch on, but as one commentator said: "They preferred to drop their trousers rather than raise their voices, and, in Italian politics, that's certainly a novelty."

Los Angeles

by Christopher Parkes

Autumn was looming. The growing season, which inspired the town of Isleton's claim to be "Asparagus Capital of the World", was long over. The sucked-out crayfish shells left by the 125,000-odd visitors to the city's annual Crawdad Festival had been swept away.

And then the bomb dropped.

Isleton, said the authorities in Sacramento, was too small to be capable of governing itself. This city of 833 souls, just 45 miles from the Californian capital, should be disincorporated and its administration taken over by the county authorities.

Eugene Byrd, police chief and the man responsible for the unaccustomed attention, hitched up his gun-belt and quoted the second amendment of the US Constitution. He blathered frequently and at length on the right to carry arms.

"When you take firearms away from honest citizens there's gonna be crime," said Chief Byrd, who was this year awarded a 33 per cent pay increase in recognition of his revenue-raising prowess.

In a state in which 60 per cent of last year's 3,700 murders were committed with handguns, Chief Byrd has been making fiscal hay by selling concealed weapons permits to virtually anyone who applies on condition that he/she has no felony record and resides in Sacramento County.

In the 1994-95 fiscal year, the Isleton police department raised a third of the city's budget from handgun registration fees. At $150 a pop, compared with the state rate of $3, he handed out 700 licences. The Sacramento county authorities, answerable to a population of 1.1m, dispensed just 640 permits, mainly to reserve police officers and other citizens considered at risk, such as taxi drivers. Chief Byrd has a waiting list of around 6,000.

Isleton, which enjoyed its heyday as a transit point for thousands of gold rush prospectors, is back on the map.

Bangkok

by Ted Bardacke

For Thais, it was the equivalent of the O.J. Simpson car chase. As the president of the stock market hid behind a marble pillar and pleaded for calm through a megaphone, Vivat Srisammacheep sat cross-legged in the lobby of the exchange with a gun to his throat. A nationwide television audience looked on.

Vivat's coborts, punters who had bought stocks on credit and then lost big time when the Thai market went into a politically induced tail-spin, watched with fascination.

Efforts to get the government to rescue them from their gambling debts had fallen, rightly many say, on deaf ears. But Vivat's stunt would be impossible to ignore.

The gun went off. Many thought Vivat had just lost more than his fortune, house and family, but he survived.

And in better shape, at least financially. For the next day Thai authorities announced a $1.2bn bail-out for the punters.

The authorities have been ridiculed ever since. They are pandering to the Bangkok elite while saying they want to help the rural folk. They are giving out government subsidies to speculators when they have spent all year punishing private banks that do the same.

And they still have not addressed the real cause of the stock market's difficulties: their own image as people who say one thing and do another.

The greying of Solzhenitsyn

John Lloyd describes the decline of a great man

Nobel prizewinner Alexander Solzhenitsyn, the writer, has returned to the former Soviet Union to find that his greatness is secure only in the past Reuter

It is a pity that Alexander Solzhenitsyn returned to his homeland; he should, like fellow involuntary exile Joseph Brodsky have stayed away voluntarily. Brodsky said: "It is another country, you cannot step in the same river twice."

Instead, he yielded to the vanity of thinking himself a prophet, a teacher and a saviour of his people. He returned last year, via east Asia, and has lived in or near Moscow ever since.

He immediately took an honoured place. He had followers and admirers in the media. Most political figures find it advisable to genuflect to his greatness. He addressed the Duma, warning of the decadence of the authorities and the growing impatience of the people. He talked with President Boris Yeltsin on the same themes.

He was given a television programme on the main state channel, now called Russian Public Television (or ORT in its Russian acronym). Every other Monday after the evening news, he would discourse – at first with guests whom he largely ignored, then in the form of a monologue to the camera. It was a discourse of anguish, complaint, demands and warnings.

He published a tract, *The Russian Question*, in which he excoriated most of Russia's past rulers – tsars and Bolsheviks – for betraying its national interest; took a tilt at the Communists yet again; and ended by warning the Russians of racial extinction.

"The 'Russian question' at the end of the 20th century stands unequivocal. Shall our people *be* or *not be*. The vulgar and insipid wave which seeks to level distinctions between cultures, traditions, nationalities and characters has engulfed the whole planet. And yet how many withstand this onslaught, unwavering and with their head held high! Not we, however...If we persist in this way, who knows if in another century the time will come to cross the word Russian out of the dictionary?...We must build a moral Russia or none at all...it would not then matter anyway."

But if, in dissidence, he was a rare voice of courage, pursuing a self-imposed task of describing some of the horror of the Gulag before its victims all died out – in freedom he is commonplace.

The extinction of the Russian nation is now the small change of nationalists and patriots, a warm-up act for more bloodcurdling rhetoric.

The river, in which he did step for a second time, has flown past him too: he has become yet another object at which the cynical young can tear, and for the compromised elders to sneer at with relief.

Even well-wishers are embarrassed and bored. In September, the cultural writer Konstantin Kedrov, writing in *Izvestiya* and giving full honour to the historic Solzhenitsyn, wrote that "for many years we were spectators to the Solzhenitsyn political theatre. Now it is quite clear that the new piece has not worked. *One Day in the Life of Ivan Denisovich* is worth more than all the days of Solzhenitsyn on television."

At the same time, in the *New York Review of Books*, Tatyana Tolstaya mounted a sarcastic piece of invective (with the minimum of genuflexion to the dissident past). He is, she wrote, "like an elderly pensioner...(who) vents the irritation acquired over a lifetime."

Shortly after these two articles, the show was killed. A curt message from the management spoke of falling ratings. Solzhenitsyn said nothing publicly but his wife talked of communists in high positions who wished to silence him.

It is an understandable assumption but it is an old windmill. The new management of ORT – appointed after the assassination of Vladimir Listyev, the first named director, are liberals, but of the post-ideological kind.

They recognise the realities of political power (ORT is 51 per cent state owned), will not rock the boat too much, and, above all, do not want old-style people such as Solzhenitsyn. They want to build a modern, BBC-like ORT.

At the same time as Alexander Solzhenitsyn was fired, so was Sergei Dorenko, who had presented a mildly caustic political show called Versii (Versions).

Serge Blagovolin, the new director general of ORT, said that he was fired because he was too irresponsible: noting that Dorenko had publicly likened running a political show to taking an interest in strange animals.

His director of programmes, Konstantin Ernst, is an intellectual with shoulder-length hair who used to present a glossy travel show called *Matador* and still runs an even more glossy magazine of the same name. In an interview, Ernst talked about his goals:

"I think there's a crisis of creativity at the moment because the young people want to be bankers or dealers. I think that's boring. I respect people who make money but I don't think it's the most interesting thing in life.

"Only five years ago it was much more prestigious and respected to be a journalist or a film director or an artist. Being a journalist meant you could do better with the girls than if you had a Mercedes. For a normal intelligent young woman there would be no hesitation in choosing between an artist or a businessman – she would choose the artist. Now a young girl would choose someone with a Mercedes.

"What I want to do is simply restore the old values – so that a teenager will understand it's better to create things than to make money. This was one of the main ideas behind *Matador*, and behind what I want to do at ORT.

"I want television not simply to reflect life, which can at times be boring and grey – I want to use bright colours, like acrylic colours – so that when you turn on your TV in the morning you see brighter colours. It might not be what life is like but I think TV should make it a bit better."

Solzhenitsyn's bitterest enemies are not the communists: not even the New Russians, with their drive for profit and their love of Mercedes cars. Instead, they come from the ranks of those who speak with the new voice of intellectual Russia – cool, bored with communists and dissidents alike, out to paint their corner of the global village in colours as bright as anyone else's corner. For them, he is the greyest, most boring, of men.

Besides, he did harm himself. He gave little nourishment, except to the legions of cynics, and the swathes of people less than he. His litanies of complaints and moral posturings are futile. He can change nothing by airing them.

Most of all, he is a spirit of an era past – an era in which protest had to be weighed in every scruple, since its punishment was likewise weighed.

He survives into an era in which words are both free and cheap...and unheeded, in any quarter.

His courage had done much to break a system which both his talent and his vanity had needed to give him and his work meaning: without communism, his greatness is secure only in the past and in the future. In the present, he has joined the flow of meaninglessness.

TRAVEL

Skiing history / **John Samuel**

Downhill from now on

The mass marketing of winter sports and technical developments in transport and equipment have made mountain holidays available not only to fit sporting folk but also to pleasure-seekers from the cities.

It is, after all, well-heeled city dwellers who are best able to afford winter holidays. But amid the sophisticated lift systems, comfortable boots, multi-laminated skis and stylish clothing, it can be hard to recall that the history of skiing in Europe goes back at least 2,500 years – and 10,000 years in Asia – and for most of that time it was only a method of moving around in the snow.

Even early last year, behind the scenes at the Winter Olympics at Lillehammer, Norwegians were demonstrating that skis, sleds and skates were more than playthings as, in temperatures below –15°C, they put them to good use as forms of transport.

Skiing downhill for sport is not much more than a century old and its origins lie in Norway, although until the 1980s Norwegian prowess was primarily in cross-country skiing, with Alpine skiing reserved for the effete.

For the average Norwegian, until very recently, uphill on snow was at least as important as downhill.

Until the middle of the last century, skis were flat, broad boards and were fixed only at the toe, leaving the heel free.

But Sondre Auversen Norheim, a carpenter's son from Morgedal in Telemark, a Norwegian province south-west of modern Oslo, changed all that. In the candlelight of his village home, he fashioned waisted, arched skis, prototypes of the ones we know today. On February 8, 1868, then aged 43 and dressed in rough, country garb, he appeared among the "Gentlemen of Christiania", at their annual ski championships at Iverslokka. To their amazement and chagrin, he won all four competitions – style, jumping, loipe and free-running.

After Norheim, nothing would be the same again. Yet the pioneer and his family slipped away to the US and were not heard of again.

Snow business: the first winter sports package tour, organised by Henry Lunn (centre, on toboggan)

Then and now: equipment – though perhaps not comfort – has improved

The British are credited with the invention of most serious modern sports in a great gush of activity in the mid-19th century. What that usually meant was that an Englishman bothered to write down rules for an activity that had long been practised in amateur fashion – and skiing was no exception.

The popularity of the sport grew among an upper middle-class who had the time, money, confidence and energy provided by the industrial revolution as they sought new challenges.

Skiing now entered its era of fun, in which everyone could laugh at each other during the course of a beginners' week.

Switzerland had a developing hotel industry based on its scenic summer attractions and the relief that a dry, thinner atmosphere gave to tuberculosis and asthma sufferers. The first British winter tourists arrived at St Moritz in 1864, when Johannes Badrutt offered a free stay in the Kulm Hotel to prove his point that winter was as enjoyable as summer.

So the Swiss encouraged the British to found a winter sports industry based on the Alpine slopes: Davos developed bobsleigh with skiing, St Moritz the Cresta Run, and British ski clubs such as the Kandahar and Downhill Only made their homes in Mürren and Wengen.

In 1888, another Norwegian, Fridtjof Nansen, crossed Greenland on Telemark skis, and Matthias Zdarsky began to develop techniques for steeper Alpine terrain at Lilienfeld on the eastern fringes of the Alps.

Among the British, Henry Lunn, the clergyman father of Arnold, organised the first package winter holiday to Grindelwald in the 1890s.

Not to be outdone, his son, Arnold, founded the Kandahar club in Mürren, Switzerland, primarily to experiment with new ways of travelling down mountains at high speed. He became the father of downhill racing when, in spite of having one leg 3in shorter than the other as a result of a climbing accident, he organised the first downhill competition, for the Roberts of Kandahar Challenge Cup, at Crans-Montana in 1911.

Arnold cleverly exploited existing cog railways to develop downhill skiing in the Jungfrau region, and in 1921 the British staged a downhill championship at Scheidegg based on time and style rather than cross-country and jumping, the Scandinavian competitions still slavishly followed in the Alps.

Lunn, a constant innovator, began to use poles as gates for downhill racing and in January 1922 set his first slalom course on Mürren's practice slope. The word slalom was derived from the Norwegian words *sla* (smooth hill) and *laam* (a track down such a hill).

However, Arnold, born to a climbing culture, later came to despise the artificiality and commercialism of much modern ski racing.

Changes now came thick and fast: at St Anton in Austria, Hannes Schneider developed an Arlberg style based on a pronounced crouch and a turn accomplished by a stem and weight transfer from one ski to the other.

His ski school adapted to the needs of holidaymaking beginners. He formed a long and strong relationship with Lunn and together they developed the Arlberg-Kandahar downhill and slalom event. It was the blue riband of Alpine skiing until Winter Olympics and the World Cup series overtook it in the 1970s and television began to dominate sport.

Mechanical uphill transport began, of course, to transform the ski holiday industry. Eric Constam, a Swiss engineer, introduced the T-bar drag-lift in 1934, succeeded by the Poma, or button lift.

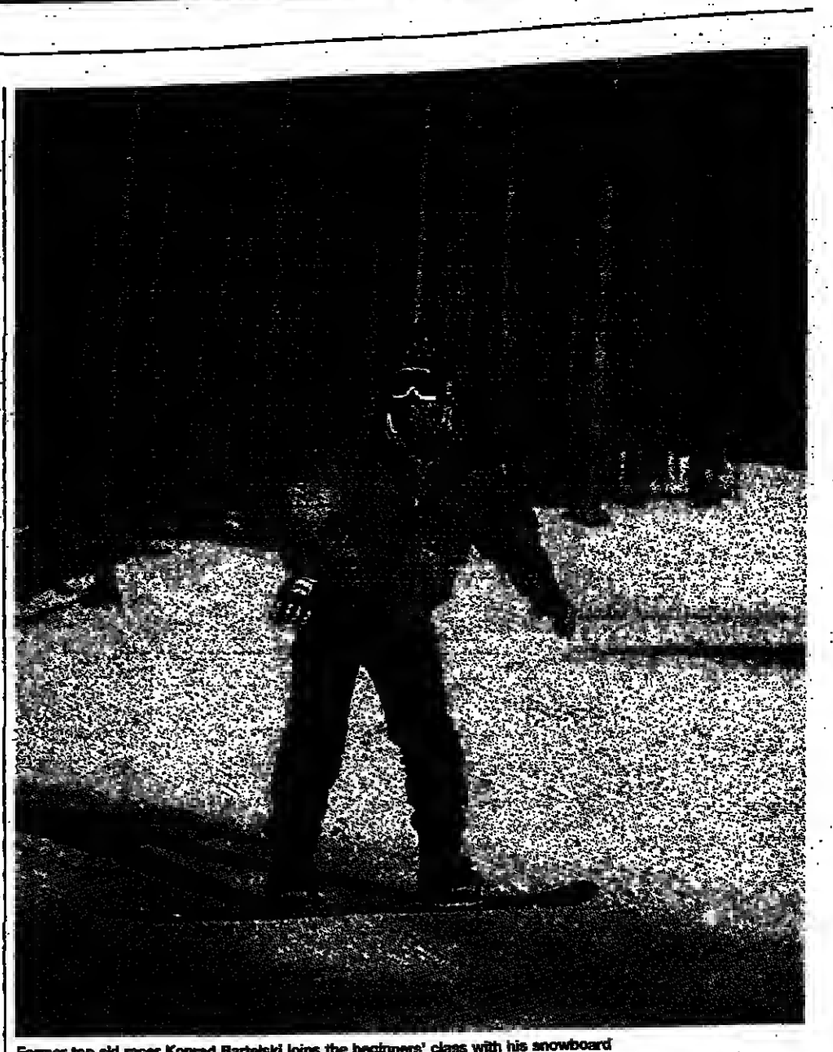
Enclosed cable cars carrying large numbers are still in widespread use, but the modern alternative is a suspended line of smaller, continuously moving gondolas.

In 1936, Jim Curran, a Union Pacific railway engineer, developed the first chair lift from a banana hoist at Sun Valley, Idaho, the US's first purpose-built resort. The chair has remained a US preference at sunnier latitudes and the fast-moving four-seater, geared to slow down as it picks up passengers, has revolutionised the mileage skiers can achieve in a day.

The French were the first to build ski centres high up in the snow, the earliest being before the second world war at Méribel and Sestrière.

After the war, the French developed Tignes, Val d'Isère and Courchevel – so-called first generation resorts – succeeded by Les Arcs, La Plagne, Alpe d'Huez, Isola 2000 and others.

Today, skiing is a vast business with a foothold on every continent. Skiers are spoilt for choice in terms of accommodation, equipment and destination – a world removed from skiing as a vital means of transport.



Former top ski racer Konrad Bartelski joins the beginners' class with his snowboard

Champion racer goes back to board school

As Britain's most successful downhill racer, Konrad Bartelski regularly reached speeds of more than 80mph.

Now he was sliding cautiously down a beginners' slope in Canada, outstretched arms flapping for balance, a scarf wrapped round his head to protect his ears from frostbite as temperatures dropped to –20°C.

If only contemporaries such as Franz Klammer and Leonhard Stock could see him now – Bartelski beat them in his most glorious descent when he was second in a world cup race at Val Gardena in 1981. But here was Bartelski, the snowboard beginner, having his first lesson on the slopes since he was 13.

Bartelski, 41, was at Sunpeaks resort in British Columbia, working for BBC Radio 5's *Off Piste* programme when he was tempted to swap his skis for a snowboard.

"It was just as scary standing at the top of a nursery slope on a snowboard as it used to be in the starting gate on the Hannenkahm at Kitzbühel," he said.

His apprehension was not entirely misplaced. Like all beginners, he fell several times. "I've got a few bruises to prove it," he said. "But at least I got up on the lift without falling. When I was learning to ski in Austria as a little boy I fell off the T-bar twice the first time I tried it."

Bartelski was encouraged by managing one entire run without falling. "But I'll never throw my skis away," he said.

Arnie Wilson

هكذا من الاصل

TRAVEL

Mountain machismo

Nicholas Woodsworth encounters derring-do in the bullring and on the volcano

Every year towards the end of the maize harvest, the Ecuadorian highland town of Sangolqui celebrates its good fortune with a fiesta. The music, dancing, singing and street processions are highly popular. The roast suckling pig and brain-addling *aguardiente*, both consumed in heroic quantities, are even more appreciated. But the climax of the fiesta, the celebration no one misses, is the bull-fight held on the fourth and final day.

What attracts the townspeople is not the grace of the *toreros*, the skill of the *picadors*, or the dignity of the bull-fighting ritual – in the Sangolqui version of the event none of this exists. What attracts them is the fact that somebody usually ends up dead.

"It is not regarded as a good fiesta if no one gets killed," Carlos told me as we made our way past tottering, drink-dazed revellers to the bullring. Carlos should know. Gored once in the thigh and twice in the stomach, he has three times come close to being the makings of a good fiesta.

Carlos Cordero is 29, a lightly-built, sinewy man whose dark skin and high cheekbones reflect his mixed Spanish-Indian ancestry. He is the father of two young children, and husband of a woman of determined character. The day he married, his bride extracted a promise from him that he would never enter the Sangolqui bullring again.

He still likes to watch, though. Ecuador remains a place where the ardent values of bravado and Latin *machismo* are cherished. The opportunity for a limitless display of derring-do, Sangolqui's bullring is a proving ground for every he-man, dare-devil and street-corner braggart in town.

Merely taking a seat there seemed to me a death-defying proposition. Each year the ring is thrown up in peremptory fashion – its only materials are thin wooden poles, planks, rope and rusty wire. We climbed to an upper tier on a rickety ladder. When the town band opened proceedings with a ragged salvo of trumpets and drums, a roar went up. A great grey horned bull came tumbling out of a chute, the crowds cheered and stamped their feet, and the whole structure groaned and trembled gently.

But there was no trembling on the part of the 200 or so intrepid young men who milled about in the dirt ring below. Their nerves were steeled – their object was not to kill the bull, but to get as close as possible to being killed themselves without being gored. As the beast snorted and tossed its head in rage, they pranced and feinted back and forth, shouting to keep their courage and edging ever nearer.

'An alien world with its own geography, climate and physical laws' Tony Morrison

Finally the inevitable charge came, a chaotic head-long rush across the breadth of the ring.

Bull-fighters fell away like wheat before a scythe, scattering left and right as they turned and ran just inches before the deadly horns. There were spectacular leaps for the stands and furious dives under fence poles. Mostly, the bull forked empty air. But every now and then, accompanied by onlooker's shouts of dismay and delight, there was an agonised rolling in the dust as a runner fell under the hooves and horns of an angry bull.

This was an insane sort of bull-running, a Pamplona with no empty streets to escape through. Happily, I saw no death that afternoon; we left after half-a-dozen bulls had performed and before fatigue – and sometimes a resolve-stiffening drink too many – began to take its toll on the more brash *toreros*.

Why was the gringo leaving, a cowboy-hatted hero challenged me from the ring as I made my way out. Surely I, too, could tempt death and the bull. Next year, I promised solemnly – for the moment I was watching and learning from him.

Carlos and I, in fact, had an itinerary of our own. For while he may have given up bull-running, Carlos has continued to pursue other challenges – a serious mountaineer since he was 13, he has spent the last eight years as one of Ecuador's 52 licensed mountain guides.

I am no more a mountain climber than I am a bull-fighter, but in Ecuador the temptation to try is everywhere. Sangolqui, just south of Quito, sits in a narrow, 300km-long valley between the eastern and western cordillera of the Andes. The valley is home to so many of Ecuador's 234 volcanoes – 24 of them active – that the early 19th century explorer Alexander von Humboldt called it the Avenue of the Volcanoes.

Carlos seems to have climbed most of them. The volcano he was to help me climb was Cotopaxi, an hour's drive from Sangolqui and, at 5,897 metres, or 19,342ft, Ecuador's second highest peak.

I was not sure of my own capacity for such a climb. Anyone in good physical shape, Carlos assured me, can climb Cotopaxi far more easily than they can escape an enraged bull. The vital proviso is that the climber is adequately acclimatised. At least a week's acclimatisation in Quito, 2,850 metres high, is recommended. I had had just three days.

Considering the load of gear one has to carry – mountain boots, crampons, insulated clothing, ropes, harnesses, carabiners, pitons, ice-axe, food and the like – I felt quite proud just puffing my way up from the parking lot to the Cotopaxi overnight refuge. After all, at 4,800m, it is higher than any mountain in Europe. From here the summit, a smooth, glacier-covered cone caught in the day's last sunlight, resembled a giant ice-cream.

The sun, however, does not figure largely in an ascent of Cotopaxi. The oddest thing about Carlos's job is that he does his climbing in the dark. Under an equatorial sun, climbing conditions deteriorate rapidly – the snow softens, crevasses destabilise, ice bridges break, avalanche risks increase. Aiming to reach their summit at dawn, climbers begin their ascent late at night.

Along with a dozen other climbers in the refuge I turned in at sunset and tried to sleep a little before setting off. But already the altitude was telling. No sooner would I drift off and my pace of breathing slow than I came wide awake panting for more air – not e good sign for the six-hour climb ahead.

At 2am we were sitting at the bottom of the glacier attaching crampons and roping up. Ahead, under a clear and moon-lit sky, I could follow the upward progress of the climbers ahead of us, each party lighting its way across the ice with the bright stab of headlamps.

I might have been on e strange and beautiful planet. This was an alien world with its own geography, climate, physical laws and rules of conduct. The simple act of walking becomes complex. For a novice, the task of handling seven metres of rope in one hand, wielding an ice-axe in the other and mounting a slippery slope all at the same time becomes a huge challenge.

It is not one to be attempted without an experienced guide – dare-devils and street-corner braggarts have a lower life expectancy here than in Sangolqui. One slip in the wrong place, one ice-field traverse ill-chosen in the dark, one mis-judged hop over a crevasse, and it can all come to a quick and nasty end. We crossed several crevasses so deep the beam of my headlamp did not reach the bottom. I found even the noises the glacier made disquieting.

Four hours later we were at 5,300 metres and I had to admit it was no good – I could not go on. I was panting, weaving like a drunk, and having to stop for a rest every minute or two.

We sat in a field of wind-carved ice pinnacles known as *"Los Penitentes"* – the penitents – and watched the sun rise on the world far below. A failure, I had found the whole experience exhilarating. I was not feeling penitent at all.

I had only one confession to make: I was not really planning to run the Sangolqui bulls next year – I would save my bravado for another crack at Cotopaxi.

■ *Nicholas Woodsworth's Cotopaxi climb was organised by Aventur, Amazonas 333, Edif. Rocafuerte, Quito, Ecuador, tel: 5932-541702, fax: 563951. Carlos Cordero, tel: 5932-550911, fax 623580.*

The summit of Cotopaxi, a smooth, glacier-covered cone resembles a giant ice-cream South American Pictures

It's time to plan the party of the century

Jonathan Young advises early booking if you want the pick of venues for New Year's eve celebrations in 1999

As you celebrate this New Year's eve you should perhaps also be sparing a thought for how you might see in the year 2,000 in style.

Ethelred The Unready may have beeo a bit of a ditherer but at least under his reign people knew how to celebrate the first millennium. The great and the not-too-good made the dangerous pilgrimage to Jerusalem.

Today, with a Ferris wheel on London's South Bank likely to be the limit of the state's ambition, anyone wanting to greet the next millennium in style should start planning now.

Since most of us would like to see in 2000AD with kith and kin, not huddled around the television with a chicken curry watching assorted Scottish fiddlers, it is essential to book a venue now.

Anyone wanting to book Loodon Zoo, Glamis Castle, the Cutty Sark or the Honourable Artillery Company Mess has had it; they have been bagged, as have dozens of other places.

What follows is a selection of those still available, roughly categorised into the grand, the fun and the downright wacky.

The Duke of Roxburghe is keeping his options open but "may allow Floors Castle to be used for some form of entertainment that evening". (Ring the estate office on 01573-223333 or fax 226056).

Powderham Castle, in Starcross, Devon, is the seat of the Crusading Courtenays, who have lived there continuously since 1390. The castle was the setting for Merchant Ivory's film *The Remains of the Day* and has room for a dance for 200 guests using the Wyatt's 18th century music room.

Alternatively, a dinner for 60 could be held in the panelled state dining room, which has a proper minstrel's gallery and an emblazoned fireplace. Tim Faulkner, the general manager, is waiting for the best, ie most substantial, offer on 01626-890243.

As a guarantee against gate-crashers, Balfour Castle is unbeatable – it dominates Shapinsay, one of the Orkney Islands. It is pure Scottish baronial in style, with a billiards room, four-posters and wall-to-wall panelling. It sleeps about 16 and would be let for the occasion on a self-catering basis. (The cooking would not be onerous as there is a ready supply of local lobsters, crabs, scallops and game, as well as butter, eggs and milk from tha home farm.)

It is surrounded by 10 miles of private coastline, which harbour a seal colony as well as a spectacular variety of birdlife. Details from Catherine Zawadski on 01856-711282, fax: 711283.

Henry VI founded King's College, Cambridge in April 1441 as the "College roial of Oure Lady and Seynt Nicholas".

The great hall is the place for feasting 300 friends, and rather warrants the whole 15th century gamut of roasted swans, flamed peacocks and a surfeit of lampreys.

Alain Chehense, the catering manager (tel 01223-331215) can advise on modern alternatives, and offers a highly competitive wine list.

If the Christmas card list does not stretch to 300, the Saltmarsh room dines 30. Either way, there is no problem with accommodation. Since the millennium arrives out of term, there will be 250 college bedrooms vacant.

For couples who do not wish to relive the romance of student days, surreptitiously squeezing into one bed, the Dorchester has beds you could play a chukka on, starting at £235 for a double.

For New Year's eve 1999, the hotel will hire the Oliver Messel Penthouse-Pavilion suite, which seats between 20 and 40, for £475 (ex VAT) with menus from £45 per head.

Tha pavilion was designed by Messel in the 1950s and is lined in almond-green silk wallpaper, has candelabra built around birds in gilded cages and a fireplace designed as a pagan altar, complete with a statue of Bacchus.

Cocktails are served in the penthouse, which has its own kitchens and menus. Dinner is served on Minton china. To book, ring 0171-495 7351 or fax 409 0114.

Such sybaritic luxury would be wasted on those whose friends include the relentlessly hearty, the type who are hangover proof and roar round the place at 8am on January 1 demanding sausages and a list of the day's planned activities.

This category includes most of my friends but, fortunately, Finlayson Hughes has the solution.

Invereshie Lodge at Kincraig, Inverness-shire, is a family shooting lodge set in 40 acres, which include a private nine-hole golf course. It sleeps 18 in comfort, but can also accommodate another 20 or so as there are five cottages in the grounds which can be let with the house.

As well as the golf, it is well placed for skiing – and if that does not sort out the overactive, there is an ample supply of logs, some of which will need splitting – and, as Tim Kirkwood, the agent, points out, you need a lot of logs in January in Kincraig.

The price for the lodge would be negotiable, but start at £1,400 for the week, with the five cottages included for between £1,000 and £1,500 more. Further details from Finlayson Hughes on 01463-224343, fax 243234. The company specialises in the let of sporting lodges, which include the stunning Affric Lodge on the shore of Glen Affric.

Appleby Castle also offers an outlet for those wedded to their gumboots and will have instant appeal for children as it has a large collection of rare livestock breeds and waterfowl. (And, equally importantly, has the River Eden flowing past it, providing excellent – and free – grayling fishing.)

Strategically placed, overlooking the Eden valley in Cumbria, the castle has a Norman keep, great hall and 27 acres. The whole place can be booked for 30, and would cost from £80 per person (plus VAT) for dinner, bed and breakfast. Contact Tessa Edwards on 0176-835 1402, fax 835 1082.

Children would also adore seeing in the new year on the Bluebell Railway. Its steam locomotives chuff their way from Uckfield, in West Sussex, hauling four Pullman cars built in the 1920s and 1930s. Together they carry 116 passengers and dinner will be served on board to the accompaniment of a violinist, if wished.

The whole train is available for £1,500 with dinner from £30 per head. The start of the millennium will be signalled in the most romantic way possible – a single, splitting whistle from the engine. Peter Gray will be conducting the proceedings. Tel: 01825-722008, fax 724084.

Of course some *would* rather settle for the television – in fact, anything rather than have children around.

The Lighthouse at Llandudno provides the perfect escape. It was built in 1862 at the head of the Great Orme, a limestone headland, and is now owned by John Callin (tel 01492-876819). Accommodating three couples in its pitch-pine lined bedrooms, the Lighthouse has a splendid Victorian dining-room which looks down over a sheer drop of 360ft.

It would be hard to find a more spectacular place on which too see the sun set on the old millennium. A caterer will be brought in for the night and the cost for dinner, accommodation and breakfast would be from £149 per person.

Apart from The Dorchester, all the above suffer one serious drawback – they are in far-flung spots. In the cities, in the absence of anything more concrete, we should at least look forward to a decent fireworks display when Big Ben strikes midnight.

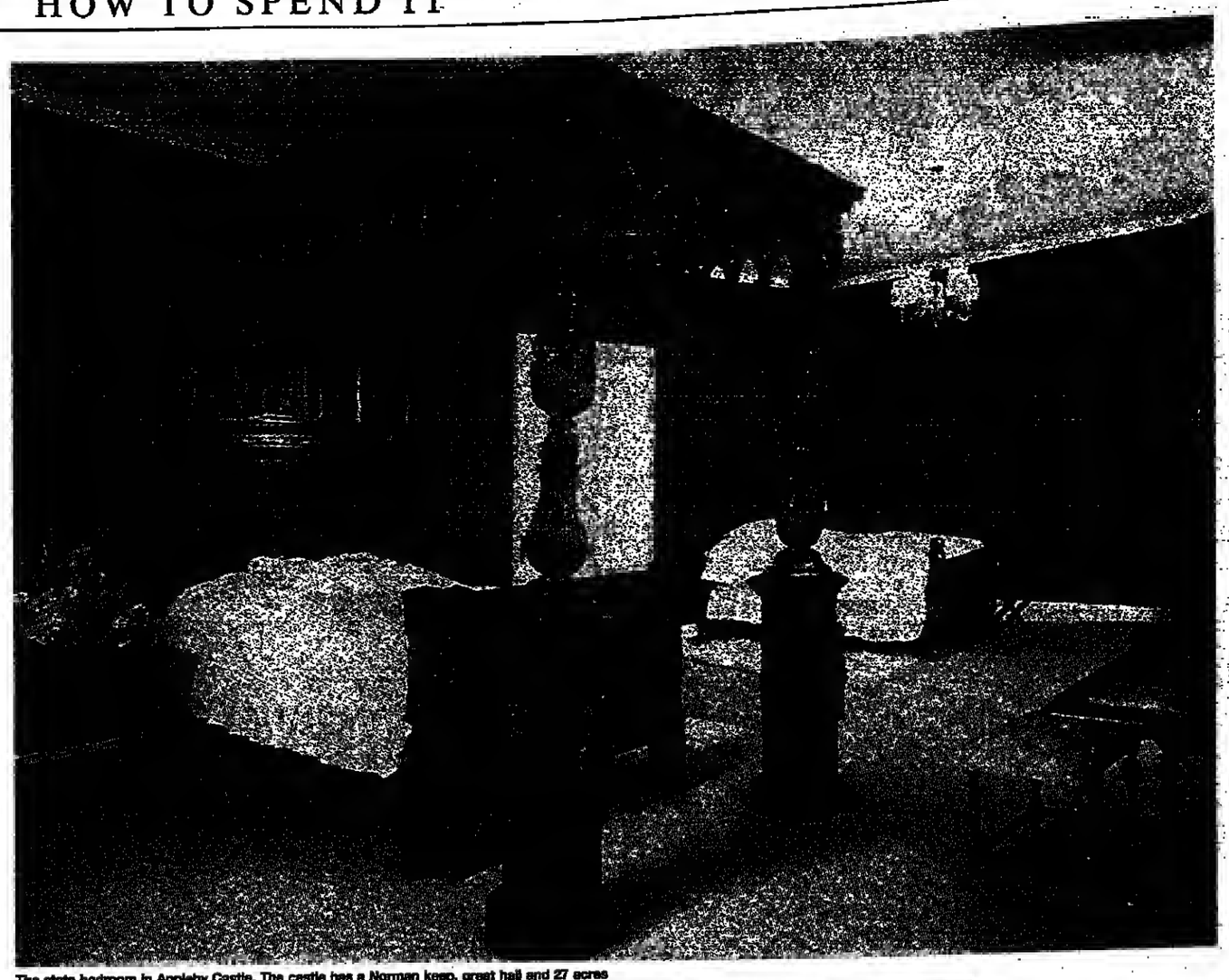
One idea is to buy a pack from The Firework, Company and rediscover the huge fun of letting off your own rockets – which has always been the best bit, no matter what the safety people say.

The catalogue is addictive, with 125mm shells erupting at 500ft and capable of setting off every car-alarm in the district. Packs start at £50, with pack 12 (£640) promising "substantial firework entertainment". Order on 01884-840504, fax 841142.

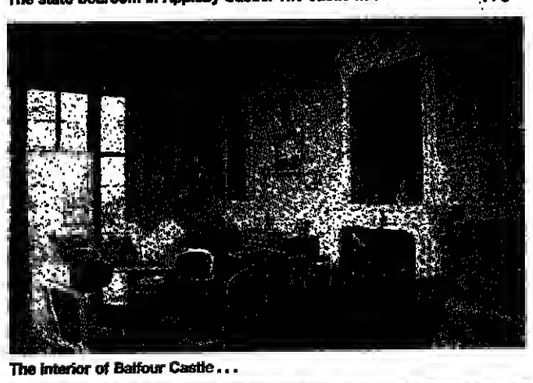
Apocalyptic, now.

■ *For further venues consult the* Krunenbourg 1664 Party Venue Guide *compiled by Charlotte Atkins, published by Good Books.*

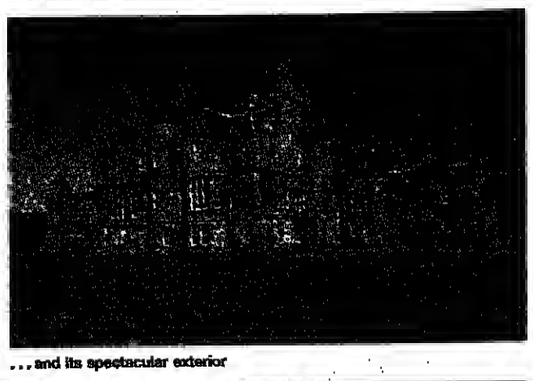
■ *Jonathan Young is editor of The Field.*



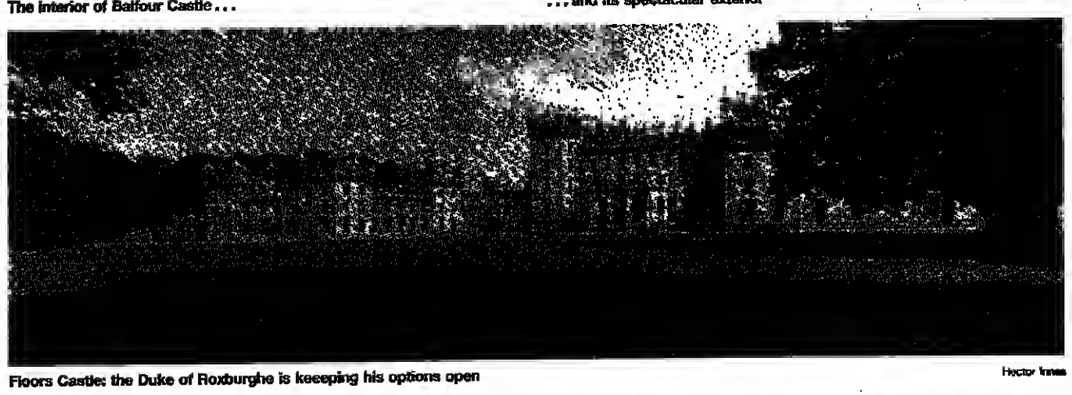
The state bedroom in Appleby Castle. The castle has a Norman keep, great hall and 27 acres



The interior of Balfour Castle . . .



. . . and its spectacular exterior



Floors Castle: the Duke of Roxburghe is keeping his options open

Hector Innes

The grand staircase, Powderham Castle

FASHION

Raiding the archives for inspiration

Avril Groom looks at the past year's trends and finds almost everyone delving into the past

The most unlikely to succeed – Issey Miyake with padding in odd places

Fashion looked backwards in 1995. It had to: it had no idea where else it was going. Any decade this century, it seems, would do for inspiration.

The only alternatives for anyone keen on looking forwards were bleak experiments – in shiny high-tech quilting or cyberprint with space cadet shoulders – that would attract distinctly odd looks on the school run.

It would not be surprising for designers to ruminate on the century's trends with the millennium in sight, but the truth probably has more to do with the commercial pressures of producing a sparkling new, and newsworthy, collection twice a year.

Archive pictures are a convenient, if over-revered, source of inspiration. One designer whose glory days were plundered to make this year's look is Hubert de Givenchy, who put all his workroom staff on the catwalk at his highly-emotional retirement show.

The past year can hardly be classed as a vintage year when its most memorable moment was a farewell. But the two designers who most influenced real-life dress were, if not new arrivals, at least rising talents.

Between them, they made 1995 a year of two halves. It started in the 1950s with John Galliano's spring collection of tailored elegance and tulle-skirted Hollywood glamour.

The symbol of the year must be his precise dogtooth-checked suit with its sharp shoulders, wickedly whittled waist and pencil-thin skirt; it spawned hundreds of badly-cut copies filling chainstore rails to this day.

Not every designer has Galliano's delicate sense of aesthetic hauteur. Ralph Lauren may make fake fur and camel hair look as classically, boringly tasteful as the real thing but others produced a rush of cod 1950s animal prints and fake snake PVC that even soap opera character Bet Lynch would think naff.

For "return to elegant formality" read "twice as long to get ready". Add sore feet from stiletto heels and you see why by autumn we had progressed to the 1970s, a mainly charmless decade which those of us who lived through it would be happy not to revisit.

For this we have to thank Tom Ford, Gucci's design director. His rehabilitation of an overblown label was another 1995 success.

The under-25s went overboard for his skinny, glam-rock velvet suit with hipster trousers and plungy satin blouse. At least those with the requisite flat tummies and lithe, Mick Jagger-style hips did – the rest waited for the inevitable, and less dangerously cut, copies from everyone including Marks and Spencer.

Designers also revived that curious combination of skinny nylon T-shirt, saggy hipsters and trainers which in the 1970s was the preserve of acned engineering students.

However, 1995 did produce some memorably lovely clothes – Christian Lacroix's poetry in black, miraculously making a mix of velvet, satin, lace and beading look tasteful; Gucci's flower prints and full skirts which will create strong echoes on next summer's high streets; Versace's dazzlingly glamorous liquid-silver evening gowns; and Valentino's deeply plunging, spirally pleated siren dresses.

The rediscovery of the coat-and-dress was a commercial success; fashionably-correct minimalism was not – unmade-up, unadorned Linda Evangelista in Calvin Klein's colourless camel shift had women reaching for the jewellery box and lipstick.

Logic would suggest that 1996 will bring a dose of 1980s brashness, a seam doubtless already being mined for inspiration by fashion students. This year's fashion for camel and black makes hot colour a racing certainty for spring.

Issey Miyake's inflatable T-shirt and Karl Lagerfeld's Chanel nipple-cover possibly have less of a future. Galliano, in his new role as couturier st Givenchy, will be the guardian of beauty.

He will have support from a new boy at another old house. The most unexpected success in 1995 was a collection from Balenciaga, by someone called Josephus Melchior Thimister, whose ideas are rather niftier than his name.

■ Catwalk pictures

Niall McInerney

The most commercial – Prada's plain dress and jacket

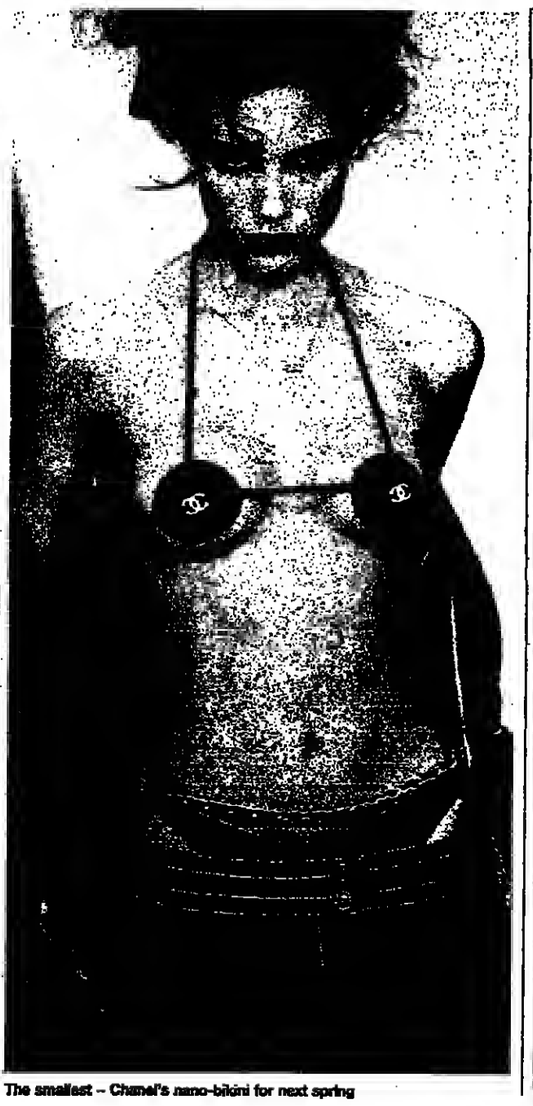
The most vulgar – Ungaro's spots with everything

The biggest – Galliano's ballgown needs a grand entrance

The most futuristic – Rifat Ozbek's padded silver space biker

The biggest mistake – Gucci's hippy French tart

The most memorable fashion moment – Givenchy's final bow



The smallest – Chanel's nano-bikini for next spring

BOOKS

Like the curate's egg: tasty in parts

Giles MacDonogh picks at a smorgasbord of prose on food and finds some ingredients better than others

In the past few years it has become popular for newspapers to choose personalities – novelists, comedians, film directors – to write restaurant reviews. Editors are happy to use good writers or ones whose names are well-enough known to catch the reader's eye. They may not know all that much about food but, the editors reason, almost anyone can tell you if a night out in a restaurant was fun or not.

For a while we even had novelist Philip Kerr, who recently won the Literary Review's Bad Sex Award, writing a wine column. It did not last long: a wine column requires the writer to know what is on the market, and that is a full-time job.

Food, The Vital Stuff is the latest volume from Granta. It is, as the title says, about food, and it is written by up-and-coming or up-and-come writers whose prose is not generally to be found on the food and drink pages of our newspapers. There is one exception, John Lanchester, who used to write an award-winning restaurant column in the Observer. Of him, more later.

In some cases food is a tenuous theme. Take Graham Swift's "The Butcher of Bermondsey". The central character is a dead butcher, or, rather, his ashes. It is clever writing, but it is certainly not about food. We learn nothing of the butcher's cuts, nothing of his art.

Being a mid-1990s book, *Food* is worried about meat. Vegetarians loom large.

There are reasons for the growth of vegetarianism which have nothing to do with prissiness, slimming, vanity, sentimentality or a morbid obsession with long life – what sort of long life is it, if all one does is deprive oneself of pleasure?

FOOD, THE VITAL STUFF
Granta
Penguin £7.99, 256 pages

Not only do some farmers behave extremely badly, but supermarkets palm us off with tasteless, unhung and indigestibly acid meat. There is a growing problem of supply, and man needs to adapt.

Margaret Vissert is good here. Her essay, although written by an obvious carnivore, is sensitive to the feelings of the vegetarian.

J.M. Coetzee's vegetarian polemic, on the other hand, is not only illogical, but silly.

Slimming is the theme of Jane Rogers' disturbing *monologue* by a dying anorexic. More obviously charming is Agnes Owen's louche tale of the pleasures to be derived from toffee in wartime.

Aphrodisiacs and cannibalism are the subjects of other essays. Joan Smith serves up the delicious morsel that Caribbean man-eaters found Frenchmen tastier than Spaniards. Man is what he eats – it's official.

As a food writer, I derived the most pleasure from those contributors who gave me a real idea of the food they were describing. John Lanchester's garrulous gourmand – is it an accident that Brillat-Savarin claimed erroneously to have invented the word garrulous? – certainly knows his onions, but I am unconvinced by the very homely nature of his gourmandise.

Is a love of food born, literally, in the womb, as Lanchester seems to suggest? Or is it – as I believe – part of a need to break away from a narrow family world, much like the search for knowledge itself?

I enjoyed Sean French on eating whales and puffins, but I took the greatest pleasure in Giles Foden's description of Idi Amin's table. Amin was an African reincarnation of Hermann Göring, with an alleged fondness for human flesh.

Not only is it a good yarn, but Foden writes convincingly about the taste of unusual African food. Perhaps there is a niche out there for him. Are any newspaper editors reading?

Singing from within the music

David Hamilton Eddy enjoys a celebration of Ol' Blue Eyes

I heard him sing "Just One of Those Things", the first track on the album *Swing Easy*, on my 16th birthday in 1953. Some things change your life.

From that time I bought every record as it came out, saw every movie, got the porkpie hat and the raglan overcoat. Singing the songs to my girlfriends, I was – in my own mind at least – a junior version of Frank.

Such lunacy, such involvement with a musical force at once powerful and enigmatic, was still possible in the middle decades of the century. You were the music while the music lasted, just as you were Gatsby when you read Fitzgerald. The analytical imperative of the 1970s and 1980s which brought about the safe ironies of post-modernism was not around to protect you from ecstasy.

So *The Frank Sinatra Reader* brought back a lot of memories. This selection of articles is everything one would wish of a celebration of Sinatra's life as a singer.

THE FRANK SINATRA READER
edited by Steven Pekov and Leonard Mustazza
Oxford $27.50, 297 pages

Here is the familiar rehearsal of the bobby-soxer days, the near breakdown, the famous comeback, the alleged Mafia connections, Il Padrone, the professional life of a musical genius.

Two pieces stand out. "Sinatra Has a Cold" by Gay Talese, published in Esquire in 1966, could have been written by Fitzgerald or, even better, Raymond Chandler.

It catches perfectly the lonche ambience of Sinatra's life at 50, opening with the singer in a very bad mood. Unable to sing because of a cold, Sinatra bemoans the fact that his "bird" is sick. Sinatra's "bird" is not a million miles away from Renoir'a penis – it is what he works with. Without his magnificent voice, Sinatra is impotent and paranoiac.

He picks a fight with writer Harlan Ellison in the billiards room of a private club in Beverly Hills. Sinatra objects to Ellison's boots and the air is thick with tension.

"Now the poolroom was suddenly silent. Leo Durocher, who had been poised behind his cua stick and was bent low, just froze in that position for a second. Nobody moved. Then Sinatra moved away from the stool and walked with that slow, arrogant swagger of his toward Ellison, the hard tap of Sinatra's shoes the only sound in the room. Then, looking down at Ellison with a slightly raised eyebrow and a tricky little smile, Sinatra asked: 'You expecting a storm?'"

Pete Hamill reinforces the point in his article for New York magazine in 1980, "Sinatra - the Legend Lives": "He emanates power and danger. And the reason is simple: you think he is tangled up with the mob."

Whether you think this or not, Sinatra is a master at making himself the centre of attention, of getting that love, admiration and, above all, respect he has so desperately and obviously needed since his emotionally austere childhood in Hoboken, New Jersey.

Most of the contributors to *The Frank Sinatra Reader* collude in this attention-giving. They always put him centre stage, which misses an important point. Sinatra has always admired other musicians and arrangers. After all, without them his great records and concerts would never have been.

Two of his most important records, *Sinatra-Basie* (1962) and *Francis A. and Edward K.* (1968) are barely referred to in the *Reader*. In these records with Count Basie and Duke Ellington, as well as on the superb *Ring-a-Ding Ding* (1961) made with Johnny Mandel, (the first he made under his own label Reprise) Sinatra sings from within the music, from within the band.

He is a great musician in the company of occasionally even greater musicians – who was greater than Ellington's alto saxophonist Johnny Hodges or his tanor player Paul Gonsalves, or than the trumpeter Cootie Williams, not to mention Ellington himself? Listen to them all on "Yellow Days".

Sinatra always did it that way. He always recorded from within the orchestra, not in a little glass booth cut off from the music. You can hear it too, in the best of his earlier Capitol recordings with Nelson Riddle: on *Songs for Swingin' Lovers*, on *In the Wee Small Hours* and above all on *Only the Lonely* with its majestic "One for my Baby".

Sinatra's affinity with and deep respect for other musicians, his adopted family, is evident right from the beginning.

Just Frank: with other musicians, his adopted family, he has always been able to forget himself

Sinatra describes running after the band's bus, in the snow, tears running down his face, after his split with Harry James in 1940 to join Tommy Dorsey.

With other musicians he has always been able to forget he is Frank Sinatra. He is just Frank. And other musicians, eapecially jazz musicians, acknowledge that Sinatra's interpretations of the great American soogs have inspired their own improvisations and investigations.

This is perhaps how we should remember Sinatra, as the musician who understood, elucidated and, above all, communicated the greatness of American 20th century music.

He was still doing it as recently as 1993, as Ray Kerrison describes in "Ol' Blue Eyes still has the Magic":

"Then it happened. Frank slid into one of the most beautiful pieces of music ever written. 'The Summer Wind'. In a moment young men took their girls and wives into their arms and began dancing and swaying gently in the aisles, to the sweet sounds of Sinatra singing outdoors on a beantiful starlit night."

Follow my leader

To appeal to the people, you need a simple story, reports **Anthony Storr**

According to Howard Gardner, leaders are: "Persons who by word and/or personal example markedly influence the behaviours, thoughts and/or feelings of a significant nmmber of their fellow human beings." The wide scope of this definition allows him to discover common characteristics in 11 men and women who are diverse both in personality and in the fields of their achievements.

His subjects are Mahatma Gandhi and Jean Monnet, originator of the European Union; Martin Luther King and Pope John XXIII; nuclear physicist Robert Oppenheimer and Eleanor Roosevelt, diplomat and author; Margaret Mead, US anthropologist, and Margaret Thatcher, former British prime minister; educationalist Robert Maynard Hutchins, Alfred P. Sloan, the head of General Motors, and George C. Marshall of the "plan" for Europe:

Leaders are usually perceived as imparting a message. Gardner prefers to refer to a leader's story, meaning that leaders present their followers with a dramatic narrative which defines both a goal and the paths which lead to its attainment. So Martin Luther King's story, his "dream", was that black men and women could be accepted as equals with their white counterparts, and that segregation could be opposed and conquered by non-violent resistance. He was "telling his fellow citizens who they were, what they could aspire to, and what means to employ in this quest".

Gardner's debt to Erik Erikson, one of his mentors at Harvard, is evident in his emphasis on identity: "The most fundamental stories fashioned by leaders concern issnes of personal and group identity." This is certainly true of Churchill and Hitler. Churchill's interpretation of history enabled him to inspire the British with an almost mystical faith in their significance and destiny. Hitler's corrupt racial mythology called on the so-called Aryans to resume their fancied snperiority to other races.

As Gardner reminds us, in times of social crisis even highly intelligent and educated citizens regress to childhood and allow themselves to he deceived by a forceful leader who promises to destroy their enemies and lead them to a promised land where they will again be dominant and prosperous.

Even in times of calm, stories must be simple if they are to appeal to large numbers of people. As a professor of education, Gardner has no illusions about the sophistication of the average citizen. Leaders in some areas, such as physics, can appeal to a knowledgeable audience, but political leaders will fail if their stories range beyond the comprehension of an intelligent five-year-old.

It may surprise others, as it did me, to find Margaret Mead included as a leader. Since her death in 1978, her contributions to anthropology have been dismissed as superficial and erroneous, and her personal peculiarities, including her bisexuality, have been ruthlessly exposed. But Gardner convinces the reader of her importance, because she put anthropology on the map. She acknowledged the validity of different lifestyles and altered the way Americans perceived their own culture, making it possible for them to learn from other societies.

It is curious that those who write about Mead today never mention her humour. As I recollect from having shared a platform with her, she was a marvellously witty speaker.

It is interesting to have Gardner's view of Margaret Thatchar. Many Americans admire her uncritically, but he is acutely aware of her faults and limitations, rightly commenting on her lack of understanding of immigrants and the poor. He also emphasises her divisiveness: her simplistic dichotomy of "us" and "them". It is of course this polarisation into black and white, Indians and cowboys, which appeals to the child inside us all.

LEADING MINDS: AN ANATOMY OF LEADERSHIP
by Howard Gardner
HarperCollins £18, 400 pages

What is sad is that effectiveness as a leader seems to depend on such primitive rhetoric. It has its place in times of change. Churchill's perception of Hitler as a monster was accurate, and enabled him to make those wonderful rallying speeches in which Britain was portrayed as the heroic defender of the good against an entirely evil Nazi Germany.

Thatcher was remarkable in that she employed such rhetoric in peacetime, treating democratic socialism as wholly evil and rightwing economics as wholly good. But both Churchill and Thatcher were ultimately dismissed by the electorate because they were perceived as out of tonch with ordinary life.

Today the leaders of the two main political parties in Britain are both moderate and in touch with reality. As a result, they are both singularly lacking in charisma. Gardner quotes Confucius: "While the advisers of a great leader should be as cold as ice, the leader himself should have fire, a spark of divine madness." The dilemma could not be put more cogently.

Gardner hopes better education about the problems of leadership will bring about a decline in the "mindless negative campaigning" which characterises politics in the US. His book is a notable step in this direction and deservas to be widely read by both leaders and those who follow them.

Fiction/J.D.F. Jones

Magic realism comes to Scandinavia

Peter Hoeg sprang to promineoce a couple of years ago with a remarkabla novel in the form of a thriller. *Miss Smilla's Feeling for Snow* conjured up a memorable Greenlander heroine, and incidentally told us more than we ever thought to know about the Arctic.

Miss Smilla was not without weaknesses – it was too long and the second half faltered into a more conventional adventure – but it would have come as even more of a surprise if we had known Hoeg'a first novel, *The History of Danish Dreams*, which has only now been translated.

This debut could hardly be more different, just as his latest novel, *Borderliners*, a study of child delinquency, is different again. The narrator summons four interwoven families, four of his ancestors, to provide "a picture of the 20th century".

Carl Laurids, born on the first day of the century, becomes a mysterions and ruthless tycoon and marries Amalie Teander, the anorexic grand-danghter of the Old Lady, an illiterate newspaper magnate. Amalie in due course takes up high-class prostitution to bring up her adored son Carsten.

Then there is Anna Bak, who is expected by her fishing village to bear the new Messiah. She instead marries Adonis Jensen, grandson of "the most famous criminal of the century" and gives birth to Maria. Carsten and Maria are destined for each other.

All these characters bring together so many wishes, so many dreams: of the village, the circus, the housewife, affluence, rebellion, technology, perpetual motion. What they share is an awareness of "the relentlessnesa of time" – defied, in vain, by another character, Count Morkhoj, who stops the clocks.

Such a description makes *The History of Danish Dreams* sound difficult or pretentious. It is neither. Hoeg lightens his serious purpose with the extraordinary liveliness of his imagination, his wit, and a relish for what can best be called Scandinavian magic realism – the Count lives for more than 200 years; Anna's tenement building is swallowed up by the earth; and there are ghosts, visions and freaks. And Barbara Haveland's translation is colloquial and most readable.

"History is always an invention," declares the narrator, child of Carsteo and Maria, "a fairytale built upon certain clues." This particular history is a delightful invention, a constant surprise. One wonders what on earth Hoeg will do next.

I confess I did not know the novels of Albert Cohen, in which respect I imagine I am like most British readers of this newspaper. Cohen was a Greek Jew from Corfu, Franco-Swiss by adoption and an international civil servant, who in 1968 published *Belle du Seigneur*, the final volume of a fictional cycle, to great acclaim. It has only now been translated into English.

THE HISTORY OF DANISH DREAMS
by Peter Hoeg
Harvill Press £14.99, 390 pages

BELLE DU SEIGNEUR
by Albert Cohen
Viking £20, 974 pages

MR IVES' CHRISTMAS
by Oscar Hijuelos
Bloomsbury £15.99, 248 pages

Belle du Seigneur tells the story of Solal, a handsome and gifted Jew, a senior official at the League of Nations in prewar Geneva; of Adrien Deume, a prat of a Belgian diplomat; of Ariane, Deume's narcissistic and bird-brained beauty of a wife; and of The Valiant, an extremely unfunny quintet of comic Jewish cousins from the ghetto of Cephalonia (that is, Corfu).

Solal falls in love with Ariane and seduces her. They leave the merry-go-round of snobbery and farce in Geneva to live the life of absolute love. Unsurprisingly, Solal discovers that a life which contains nothing but sexual rapture is misery and boredom. In his own mind he becomes a cuckold like Deume. The end can only be a death pact.

It is an intensely ambitious novel, greatly respected, and, today, near-unreadable. It is interminable. Cohen goes in for sub-Proustian digression, for sub-Joycean stream-of-consciousness, for sub-Song of Solomon poetic ecstasies. He cannot resist embroidering episodes and effects which a less self-regarding writer would convey at a quarter of tha length.

His translator, David Coward (the true hero of these near one thousand pages), suggests that Cohen's portrayal of the diplomatic world is "blistering", whereas to me, the satire seems heavy-handed. The ravishing Ariane is from the beginning as monstrously boring as Solal eventually discovers her to be.

To be fair, Solal and The Valiant are inherited from earlier episodes, and the full cycle may be more rewarding, but it is with incredulity that one learns that Cohen was a hot tip for the Nobel Prize. Perhaps he reads better – if only a little aborter – in French.

The Cuban-American Oscar Hijuelos had a great success with *The Mambo Kings Play Songs of Love*. His new novel, *Mr Ives' Christmas*, is a quieter affair: a delicate, thoughtful, deeply Catholic study of a man overwhelmed by unending grief. Mr Ives is an elderly New Yorker who looks back on a modestly successful career on Madison Avenne and a happy marriage, and knows that he has – had – "a small, if imperfect, spiritual gift". But his life has been blighted by the murder of his beloved son, and he cannot forgive the repentant killer.

This ordinary, decent man and his family are portrayed with – dangerous word – charm. The details of Hispanic society add an extra dimension. But the danger of sentimentality lurks in every chapter, and is not always evaded.

BOOKS

Portraits of the past, present and future

Multiple biographies, cyber criminals, virtual reality – Jackie Wullschlager looks ahead to the publishing highlights of 1996

I shall spend the first weeks of the New Year in hibernation, accompanied by two massive historical biographies which are also portraits of two nations. David Herbert Donald's 700-page *Lincoln* (Cape, January) concentrates on the nature of leadership and promises revelations about the relationship between private and public lives. *Trotsky: The Eternal Revolutionary* (HarperCollins, February) completes Dmitri Volkogonov's trilogy of biographies of Soviet leaders, and presents Trotsky as the first architect of state terror; it sold over a million copies in Russia.

Hot on its heels comes Edvard Radzinsky's *Stalin* (Hodder, April), which uses newly opened Soviet archives, and "a gripping historical document" about post-1989 politics in eastern Europe, *Fuhrer-Ex: Memoirs of a Former Neo-Nazi* (Chatto, February), by 27-year old Ingo Hasselbach, who founded, than renounced, east Germany's neo-Nazi party. Important records of Nazi atrocities will be Hella Pick's *Simon Wiesenthal* (Weidenfeld, April) and Elie Wiesel's memoir *All Rivers Run to the Sea* (HarperCollins, June).

J.K. Galbraith's *The Good Society: The Humane Dimension* (Sinclair Stevenson, September), argues for morality in world economics, while Jared Diamond's *Guns, Germs and Steel* (Cape, July) syntheses history, ecology and biology to examine the origins of underdevelopment and inequality between continents: two quintessential books of the caring 1990s. *Take Down*, by Tsutomu Shimomura (Secker, March) is a very modern history: the life of a cyber criminal, with love interest thrown in, which is to be made into a film, while Peter Hall's *Cities in Civilization* (HarperCollins, June) is the story of 21 cities in their heyday, from Renaissance Florence to Palo Alto in the early computer age and 1980s Tokyo.

Next year's history books suggest a trend away from the 19th and back to the 18th century: perhaps we have exhausted our examination of how Victorian values shaped our own times and are now looking beyond, to what we owe to Enlightenment ideas about society and human rights. John Brewer's *The Pleasures of the Imagination* (HarperCollins, May) is a portrait of Georgian theatres, publishers, picture dealers, coffee houses and pleasure gardens: a world which, Brewer argues, lies at the root of today's culture. Diana Donald's *The Age of Caricature: Satirical Prints in the Reign of George III* (Yale, March) looks at social change and the rise of consumerism through 18th century cartoonists like Gillray and Rowlandson.

The Long Affair: Jefferson by Conor Cruise O'Brien (Sinclair Stevenson, October) compares ideas of freedom and equality in pre-revolutionary France and America, while Robert Darnton explores *ancien régime* morals and manners in *The Forbidden Bestsellers of Pre-Revolutionary France* (HarperCollins, March). There is a new *Life of the Marquis de Sade* by Neil Schaffer (Hamish Hamilton, September); the major English biographers are also working on 18th century figures – Claire Tomalin on *Jane Austen*, Victoria Glendinning on *Swift*, Richard Holmes on *Coleridge*.

Ray Monk's *Bertrand Russell: The Spirit Of Solitude* (Cape, March), first volume of a life of the only philosopher to have ever gained a wide literary audience, is an exciting prospect: Monk, distinguished biographer of Wittgenstein, explains why the author of *Principia Mathematica* compared himself to a murderously insane Dostoyevsky character. I am eagerly awaiting George Steiner's collected essays on language and literature, *No Passion Spent* (Faber, January), but otherwise, the over-drive of the past few years is apparent. Three big biographies repeat the subjects of full-scale studies published within the last six months – Michael Bakewell's *Lewis Carroll* (Heinemann, May), Ronald Haymann's *Thomas Mann* (Bloomsbury, March), Rosemary Ashton's *George Eliot* (Hamish Hamilton, September) – and, as the well of famous names runs dry, mostly minor or dullish Lives trickle out: *Matthew Arnold* by Nicholas Murray (Hodder, June), *A Peculiar Man*, Tony Gray's life of George Moore (Sinclair-Stevenson, April), *Dear Dodie: The Life of Dodie Smith* by Valerie Grove (Chatto, January), *Emily Tennyson* by Ann Thwaite (Faber, September).

More enticing is the development of the multiple biography. Sebastian Faulks' *The Fatal Englishman: Three Short Lives* (Hutchinson, April) tells of three brilliant, self-destructive men – painter, pilot, spy – who died young and whose lives reveal certain expectations of British culture from 1900 to the 1960s. Brian Connon's *The Maughams* (Sinclair-Stevenson, June) traces the Maugham family from its entrepreneurial roots in the 1800s, through the "facada of respectability" of playwright Willie to flamboyant homosexual novelist Robin. Brenda Winespple's *Sister and Brother: Gertrude and Leo Stein* (Bloomsbury, May) is about sibling rivalry and passion in turn-of-the-century Paris.

1996 is rich in Lives of painters and composers: a major reinterpretation of *Richard Wagner* by Michael Tanner (HarperCollins, January), Jurgen Schebera's *Kurt Weill* (Yale, January), *Holbein* by Derek Wilson (Weidenfeld, May), which claims the portrait painter was also Henry VIII's spy, *Francis Bacon*, by Michael Peppiat (Weidenfeld, July), the *Letters of Vincent Van Gogh* (Viking, February), and Michael Holroyd's revised *Augustus John* (Chatto, July). This is to be filmed, confirming Holroyd as our major screen biographer (his *Lytton Strachey* biography was the basis for the film *Carrington*).

Highlight of the fiction lists is *The Stories of Vladimir Nobokov* (Weidenfeld, March), which contains stories never before collected and Nabokov's original introductions. Big shot novels include Peter Ackroyd's *Milton in America*, on the poet's fictional journey to a Puritan settlement (Sinclair-Stevenson, September), A.S. Byatt's *Babel Tower* (Chatto, May), Doris Lessing's *Love, Again*, about an older woman in love (Flamingo, February), Paul Theroux's autobiographical *My Other Lives* (Hamish Hamilton, June), John Updike's story of four generations of a Presbyterian minister's family, *In The Beauty of the Cities* (Hamish Hamilton, April), Penelope Lively's *Heatwave*, about mother love (Viking, June) and a volume of short stories about France, *Cross Channel*, by Julian Barnes (Cape, January).

Novels by younger writers to queue up for are Amy Tan's *The Hundred Secret Senses* (Flamingo, February), Ben Okri's *Dangerous Love* (Phoenix, April), and the new Jostein Gaarder, *The Solitaire Mystery* (Phoenix, June), a novel of philosophical conundrums following on from his bestselling *Sophie's World*. European publishers are competing for two first fictions, John Lanchester's cookbook-novel, *The Debt to Pleasure* (Picador, March), which sounds like a foodie version of Patrick Suskind's bestselling *Perfume*, and *Push* (Secker, September), written by American poetess Sapphire in the language of an illiterate Haarlem teenager.

My bet for most original first novelist is Mary Morrissy, with a story of baby kidnapping, *Mother of Pearl* (Cape, January); her short stories showed a mix of radiance, sadness and quiet sensationalism worth a dozen of the trendy women's novels about erotic fantasies and eating disorders – Stephanie Grant's *The Passion of Alice* (Sceptre, February), Linda Jaivin's *Eat Me* (Chatto, March), for examples – which now shriek out as "new talent" from every publisher's catalogue.

Jeffrey Archer's thriller about media tycoons, *The Proprietors* (HarperCollins, May), will of course sell more than all these put together; other bestsellers will be Michael Ridpath's virtual reality novel *Trading Reality* (Heinemann, October), and Irvine Welsh's cultish *Ecstasy* (Cape, June). Most hyped nonsense? – Daniel Goleman's *Emotional Intelligence* (Bloomsbury, January), a personality-flattening guide which suggests we can all be equally successful if we ditch IQ in favour of the "self-awareness and impulse control" which is EI. Oh, and the most pointless book for 1996 – what about *You and Your Grandchild: How to Excel as a Grandmother* (Bloomsbury, May)?

Subjects of new biographies next year include Jane Austen (by Claire Tomalin), Stalin, left, (by Edvard Radzinsky) and Trotsky (Dmitri Volkogonov's "The Eternal Revolutionary", which has sold over 1m copies in Russia)

The ones that got away . . .

As the year ends, publishers draw up their retrospective wish-lists – and black-lists. Carolyn Hart reports

You want to publish the autobiography of George Michael – crammed with sexual revelations, serialised in The Guardian, lead review in the Sunday Times, nationwide press coverage, global signing sessions and massive sales. You would settle for publishing a good biography of George VI – with a small revelation about the Queen Mother on page 137, full-page review in the Daily Mail and sales in the early thousands. You end up publishing The Collected Essays of George Santayana, with one impenetrable notice in the TLS, a modest advertisement in the Literary Review, and six copies sold...

Yes, publishing is a tough business; never more so than at the end of the year when editorial directors ponder the ironies of the past 12 months: for every publisher's retrospective wish-list, there is a corresponding thank-God-I-didn't list. We asked 12 leading publishers to name the books they wished they had published in 1995 – and the ones they were glad they did not.

Liz Calder, Bloomsbury: Having published Salman Rushdie's three early books and having read the new one, I most wish I'd published *The Moor's Last Sigh* (Cape). I think it's utterly dazzling, a book I'd take to my desart island along with *Midnight's Children*.

Victoria Barnsley, Fourth Estate: I most wanted to publish David Gutersen's *Snow Falling on Cedars* (Bloomsbury). It was a wonderful book and I think it's great that a first novel by an unknown writer can be so successful. I was extremely pleased not to have published Anna Pasternak's *Princess in Love* (Bloomsbury) which I thought was just terribly embarrassing, although I gather it made a lot of money.

Jon Riley, Picador: I liked Pat Barker's *The Ghost Road* (Viking) which had the combined attractions of brilliance, huge sales and a backlist of the previous books in the trilogy; Alan Isler's *The Prince* of West End Avenue (Cape), a wry, sad, funny first novel which should have been with Barker on the Booker shortlist; and Simon Schama's dazzling interpretation of the relationship between *Landscape and Memory* (HarperCollins). Winner of the donkey race by a length was the viciously dull *Nigel Mansell: The Autobiography* (HarperCollins).

Ursula Mackenzie, Bantam: The book I'm most glad I didn't publish this year is *The Christmas Box* (Simon & Schuster), a saccharin tale from America involving a dead child and an inexplicably detailed account of how to run a tuxedo rental company in Salt Lake City. The book I would dearly love to have published is Gore Vidal's *Palimpsest* (Deutsch). I have been an admirer of his since the early '70s and relish the wit, the sharpness of style, the probing social and political analysis, the sheer intelligence of the man.

Richard Cohen, Richard Cohen Books: I wish I had published Salman Rushdie's *The Moor's Last Sigh* (Cape) and James Hamilton-Paterson's short stories, *The Music* (Cape), because he's a wonderful writer. I would also like to have published Victoria Glendinning's *Electricity* (Hutchinson). I'm glad I wasn't offered any book about the West trial or the O.J. Simpson trial. I wish I had published Delia Smith's new cookbook, *The Winter Collection* (BBC Books) because that would have solved all the difficulties of a new publishing company in one go. Maybe Andy McNab's Cookery Book would be the ideal title to have next year...

Clare Alexander, Viking: I wish I had published Patrick French's book, *Younghusband* (HarperCollins). It was a traditional biography that nevertheless contained something entirely original and fresh. It created a new genre. I also wanted to publish *Albert Speer* (Macmillan) by Gitta Sereny – a once-in-a-lifetime book. I'm glad I didn't publish anything about British politics which has become exceedingly boring.

Jonathan Burnham, Chatto: Two books I wish I'd published: Mark Doty's luminous poetry collection, *My Alexandria* (Cape) draws from the best American lyric tradition. Like Wallace Stevens, Elizabeth Bishop and Robert Lowell, it is poised between an intense and affectionate alertness to the world and a deeper sense of imminent tragedy. Thekla Clark's *Wystan and Chester* (Faber) is a personal record of Auden and Kallman as friends, as house-guests, as holiday companions. The manuscript book passed through my hands, but I selflessly and foolishly passed it on to Faber (as Auden's publisher). I shouldn't have let it go. Disappointment of the year was Andrew Sullivan's *Virtually Normal* (Picador). Hyped misleadingly as a controversial clarion call for homosexuals in the '90, it advocated a conservative political agenda that would have been unsurprising in, say, 1974.

Hilary Hale, Little Brown: There are two books I would love to have published this year. One is *One for the Money*, by Janet Evanovich (Hamish Hamilton) which introduces Stephanie Plum, who is trying to make a living catching bail-jumpers. A great character in a terrifically entertaining thriller. The second is *To War with Whitaker* by the Countess Ranfurly (Mandarin). These diaries of her wartime experiences in the Middle East, North Africa and Italy not only throw a new light on many characters who were in the theatre of war, but demonstrate how strength of character and abiding love can overcome the worst adversity.

Helen Fraser, Reed Trade Books: I'd like to have published *Snow Falling on Cedars*. We were underbidders on it, but I think that Bloomsbury published it beautifully. I also wanted *The Horse Whisperer* (Bantam) – we were the underbidders on that one as well – because I think it's a marvellous piece of commercial fiction.

Helen Gummer, Simon & Schuster: I most wish I'd published Boy George's *Take it Like a Man* (Sidgwick), which I thought was a brilliant example of showbiz autobiography – witty, candid, clever and a wonderful comment on the popular culture of our times. Although he co-wrote it (with Spencer Bright), he thought about it endlessly and agonised over every comma and full stop. I'd also lova to have published Will Hutton's *The State We're In* (Cape). Nobody knew it would do as well as it did. It caught a mood of popular discontent and was a most prescient piece of publishing.

Tom Rosenthal, Deutsch: I was impressed by *Edward Weston: Forms of Passion, Passion of Forms* edited by Gilles Mora (Thames & Hudson), the definitive work (at last) on the greatest photographer of the 20th century and the supreme master of the female nude. *The Encyclopaedia of New York* edited by Kenneth T. Jackson (Yale UP), with 1,300 copiously illustrated pages of essential, entertaining and recondite information about the world's most stimulating city, offers spectacular value at £40. *Next Man In: A Survey of Cricket Laws and Customs* by Gerald Brodribb (Souvenir Press), an enlarged edition of the classic compendium of cricket lore, is a bedside book only for insomniacs as, once you dip into it, you can't stop reading. While I would have dearly loved the profits, I would not have enjoyed publishing Delia Smith's latest cranberry-stuffed cookbook. It is to gastronomy what Elizabeth Hurley is to great acting.

Christopher Maclehose, The Harvill Press: It would have been blissful to have published Patrick O'Brien's latest Aubrey and Maturin book, *Wine Dark Sea* (Collins). Failing that, it would have to have been the *Shorter Oxford Dictionary* – a book from which I have derived enormous pleasure this year.

ARTS

A year of dancing dangerously

There was some splendid modern dance but a sad lack of talented classical choreography, reports **Clement Crisp**

Of all the cants that were canted in this canting world – though the cant of hypocrites may be worst – the cant of criticism is the most tormenting.

Thus *Tristram Shandy*. Surveying the past year I must, in self-defence, observe that tormenting is as tormenting does, and some of what has gone on in ths dance world makes a bed of nails seem like a down-filled sofa, and cant like Holy Writ.

I sat through tosh from a dozen countries in San Francisco (somehow commemorating the United Nations Charter) and knew that ballet was dead and gone to hell while viewing John Alleyn's grilling of a Mozart divertimeoto. I watched Northern Ballet Theatre feature the Brootë family in a funereal soap-opera that should be called *Graveside*. There was an evening when the Royal Ballet invited us to watch an eternity of William Forsythe's un-dance, grey bodies doing grey things in grey light, and followed this with an exhumation of Tetley's *La Ronde*, lightly pbosphorescent with decay. As the last touch to the most worrying programme I have ever seen from the company, there came Ashton's *Rhapsody*, denatured in Patrick Caulfield's design to Clarice-Cliffery, its steps under-danced.

There was Maurice Béjart's visit with his Lausanne troupe to Sadler's Wells, bringing something about his relationship with Stravinsky, called *Igor and I*. He also took on several eminent Viennese artists, with energy undiminished and results fatal to them and to ballet. The Dutcb made an unjustified attack on us by sending "Ten Dancers" armed with hrutisb works from Nederlands Dans Theater, and followed this with the *coup de grace* of NDT2's creativity.

There was Martha Graham's late (much too late) *Temptations of the Moon* at the Paris Opera, choreography by and for dress-makers. There was Birmingham Royal Ballet's mugging of *Birthday Offering* (Sandra Madgwick the only dancer to escape unharmed), and there was the Kirov Ballet's unforgiveable view of Fokine's *Scheherazode*, whicb turned out to be *Little Women* staged in a Cairo bordello.

These were the most desperate things I saw, a few others being unmentionable. They were, happily, outoumbered by good, serious, spleodid dance. Divinity of the year was Altynai Asylmuratova. The summer's Kirov season at the Coliseum was a curious and ambiguous event. Avoiding performances by the implacably dull Yulia Makhalina became a vexing task, as did avoiding beat-stroke during those blistering evenings. A group of etiolated and mannered young danseuses brought little lustre to the troupe's reputation, and stagings were frequently unworthy (an abbreviated *Beauty*; a coarsely-designed *Swan Lake*) while male dancing was under par.

With ballets weakened by the absence of senior ballerinas, the company had, in Asylmuratova, a marvel. She glorified everything she danced, from Nikiya to an ideal appearance in *Firebird*, and told of perfection in an imperfect world. Zhanna Ayupova also reminded us of authentic Kirov style as a radiant Aurora in *Beauty*. Another Kirov ballerina, Lobov Kunakova, was not sean during this seasoo, hut appeared on a provincial tour with the small but serious Moscow Classical Ballet as s Giselle of real dignity.

Intriguingly, in the Kirov's *Fountain of Bakhchisaray*, the strongest performance came from Sylvie Guillem as s glamorous Zarema. Guillem, who made a positive contribution to the miserable Forsythe piece at Covent Garden, was also tremendous with Laurent Hilaire in *Episodes* during the Béjart season (Béjart uses her gifts with rare understanding).

Other memorable hallerina appearances came with Ludmila Semenyaka's soperh Odette in Moscow City Ballet's *Swan Lake* in Manchester, and Darcey Bussell's touchingly expressive Juliet, and her very personal Gisella. She is an sbiding joy. The Royal Ballet's young Sarah Wildor gave readings as Manoo and Giselle which were bright with talent and promise.

> I saw some tremendous male dancing; marvel of the year was Baryshnikov

I saw tremendous male dancing. Marvel of the year was Mikhail Baryshnikov, visiting Paris with his White Oak group, and showing himself a miracle of artistry and of technique at the age of 47. Nicolas Le Riche, the Paris Opera's brightest young danseur, was superhly himself and superbly right in Petit's *Le Jeune Homme et la Mort*, and was a powerful beart to Petit's new staging of *The Leopard*. Impeccable dancing came from Thomas Edur in everything he did with English National Ballet, and the Royal Swedish Ballet, making a welcome London debut, showed the gifted Jan Erik Wikstrom, his dancing elegant, vivid, in a merry *Don Quixote*.

Irek Mukhamedov remains a dominant artist in the Royal Ballet, his peerless Albrecht firing the company's sober-sided view of *Giselle*. Mukhamedov gives the piece its identity as a Romantic tragedy and not merely a dutiful parade of thickly-costumed clichés, and with Stepben Jefferies as his Hilarion, the first act bas a bright edge of passion. (Jefferies, that thrilling dance-actor, has left Covent Garden to direct the Hong Kong Ballet).

In matter of modern and post-modern dance the year was one for chauvinistic pride. There has been fine oew choreography. Siobhan Davies' *Wild Translations* and *The Art of Touch* showed her perceptive, penetrating talent at its best. The Rambert Dance Company, which shons sspecially amid the bric-a-brac and fakes on view in San Francisco, is s company of exceptional artists. I admired Christopher Bruce's *Meeting Point* (the only piece in San Francisco to bear upon the festivities), the revival of Robert Cohan's *Stabat Mater*, and Matthew Hawkins' quirky but serious *Bridging the Cultural Chasm*. Mark Baldwin produced witty, questioning new work and Kim Brandstrup made a haunting and visually elegant study of Mexican religious festivities, *Saints and Shadows*, for his Arc Dance troupe. As with his beautiful *Orfeo*, revived this year, simplicity and economy are turned into precision and poetry.

Merce Cunningham brought his dancers back for a triumphant season, and at the age of 76 can still hold an audience in a solo composed of tiny gestures and huge surprises. His contemporary, Alicia Alonso, was to be seen in San Francisco, revered for the legend that she is, and carried about the stage with extreme care. Maya Plisetskaya, indomitably beautiful, celebrated her 70th birthday on the stage of the Bolshoi Theatre, where she long reigned as *assoluta*, and declared that she was certainly *not* going to retire.

Since many of the supposed ballerinas we watch are far too damn young, and are far from being "ballerinas", it is good to salute such determined survivors, as well as anthentic ballerinas like Asylmuratova, Kunakova, Semenyaka and the Opéra'a Elisabeth Platel, rather than having to excuse tremulous young things bumbling through the classics. One of the delights of the wonderful *Forever Tango* which turned up at the Strand Theatre – among the best things of the whole year – was that we saw beautiful women and not just pretty girls. Their dancing had a sensual bloom, and their partners were men, not boys: the show was a display of mature and heady artistry.

Mark Morris brought his dance company to Britain twice, triumphantly. A regional tour showed us a talent that can range from the cow-poke fun of *Going-away Party* to the darkness of *Grand Duo*. At the Edinburgb Festival, *Lucky Charms*, *The Office* and the vampiric *One Charming Night* were excellently done. (His *Pacific* for the San Francisco Ballet was one of the two credible pieces on view in the *galop infernal* of the UN celebrations). Paul Taylor's company visited Edinburgh, after the festival, with a grand repertory, of which the darkly grieving *Spindrift* and *Aureole* were the poles.

Local balletic creation was, shall we say, varied: English National Ballet gained an *Alice in Wonderland* from its director, Derek Deane, more interesting for design and staging than dance, while Galina Samsova gave her Scottish Ballet a new *Swan Lake* – no year passes hut someone, somewhere, gets out a carpentry set to produce another coffin for Tchaikovsky. Samsova had the advantage of a touching Odette in Yurie Shinohara. Matthew Bourne also took to swan-upping, providing a revisionist version for his Adventures in Motion Pictures troupe. After a tiresome first act, his vision of male swans made theatrical sense, and the performance of Adam Cooper, as swan in Act 2 and rough trade in Act 3 (Odile, how art thou translated) was tremendous.

Perfection in an imperfect world: Altynai Asylmuratova, who glorified everything she danced · Tamara

London City Ballet acquired a neat *Cinderella* from the Royal Ballet's Matthew Hart. The Birmingham Royal Ballet gained a farewell staging from its retiring director, Peter Wright, in a charming *Coppélia*, and marked the final appearances of Marion Tait, that superb dance actress, by showing her at her finest in Tudor's *Pillar of Fire*. David Bintley succeeded Peter Wright at the belm of BRB, but neither his new *Carmina Burana* nor the new dancers he showed in *Birthday Offering* were what we boped for. Royal Ballet novelties inclnded Ashley Page's modish *Ebony Concerto*, an under-powered Dance Bites tour, while Twyla Tharp's *Mr Worldly Wise* proved a massive disappointment.

Yury Grigorovich retired as director of the Bolshoi Ballet, having guided the troupe during 30 dangerous, momentous years. Oleg Vinogradov acquired two deputy directors at the Kirov, and was reported to have been arrested on changes concerning fmds. Change was in the air in Stockholm, Copenhagen, Stuttgart, Australia, Canada and Vienna, wbere directors came or prepared to go. The Royal Danish Ballet and Opera made a far too brief visit to London in anticipation of Copenhagen's 1996 identity ss European Cultural City. The ballet's cboice of *Caroline Mathilde* – a Peter Maxwell Davies score (of some tedium) and a Hanoverian princess as heroine – was not good news. A joyous event, though, happened in Copenhagen, where Bournonville's two-act vaudeville, *The Conservatoire*, was revived after nearly 70 years. It was adorable, and adorably done, not least by Kirsten Simone as the enchantingly named (and enchantingly played) Mlle Bonjour.

One other revival was very significant. The ballet company at the Nice Opera has been revitalised under the new general director, Jean-Albert Cartier, and a Massine programme brought a staging of *The Rite of Spring*. It proves to be potently conceived and serves as reminder of Massine's genius. From Belgium, I reported on the sterling Royal Ballet of Flanders, which showed Xiomara Reyes and Pascal Molat delightful in *La Fille mal gardée*, and an imaginative programme of works by Christopher d'Amboise and Danny Rosseel.

In New York and Paris, New York City Ballet, its dancers and Balanchine repertory, rejoiced the soul. (Paris had a small Jerome Robbins festival: his *Two and Three-part Inventions* for NYCB utterly simple, perfectly made.) And at the Bastille Opera House, the Opéra's ballet company showed itself yet again a mecca for lovers of classical dancing.

The matter of creating classical choreography – of new work using the traditional but by no means outworn language – was worry of the year. I did not see a new ballet of any real merit during 1995 from any troupe. Modern and post-modern dance flourished, not least in Britain. But unless efforts are made to encourage more creativity using the grand means of academic dance, ballet will be moribund as the century ends. It is already stagnant.

Exhibitions in 1995/**William Packer**

To hang in the memory

A year which began with Poussin, and went on to major exhibitions on African Art, Totalitarian Art, Egon Schiele, Spanish Still-Life, Utamaro, Turnbull, Caro, The Venice Biennale and Cézanne, cannot have been too bad. But then we also had Baldessari and Wallinger (Serpeotine), and Polke (Liverpool Tate), to say nothing of such frights as Luc Tuymans and Gary Hume (ICA), *Rites of Passage* (Tate), *Take Me (I'm Yours)* (Serpentine), the Venice Biennale, Saatchi's bright young Brits (twice), the Turner Prize (naturally), and the truly dreadful Britisb Art Show? 1995 does not sound so good after all.

The truth is that 1995 was a year like any other, with its peaks and its troughs. Trying to pick out every plum is both tedious and invidious, but, without distinguishing betweeo figurative and abstract painting, I do recall with particular pleasure the sbows of Gerald Marks at William Jackson; Noel Forster, John Mitchell and Alisoo Watt all at Flowers East; Gus Cummins at Lamont; Michael Michaeledes and Christo at Annely Juda; Janst Nathan and Erica Lansley at Reed's Wharf; Ray Atkins at Art Space; John Houston at Mercury; Jenny Okun at Rebecca Hossack; Tom Hammick at the Eagle; Hans Schwarz at New Academy, Michael Porter at Purdy Hicks; Dick Lee at Cadogan Contemporary; and Bryan Ingham at Francis Graham-Dixon.

All these artists, young or old, deserve far wider recognition than they presently enjoy. They bear lively and serious professional witness to the health of contemporary British painting across the board, yet time and again are passed for any substantial public patronage or promotion, st bome or abroad. That now goes as a matter of course to the latest conceptually challenging prodigy, straigbt from art school and still wet behind the ears.

Of more establisbed names, Terry Frost marked his 80th birthday with notable shows at Mayor and Flowers East, and Morris Kestelman, still painting at 90, was rightly given a small retrospective at the Boundary Gallery. Allen Jones was given an excellent print retrospective at the Barbican, and at Bankside, Leslie Worth's celebration of his entire career was personal vindication for this unjustly oeglected artist. Douglas Gray at Spink, and Winifred Knights and James Gunn at the Fine Art Society, reminded us that the problem of such oversight is hardly new.

A choice retrospective of the work of the late Fred Williams at the Marlborough, aod Ssrsb Rapbsel's impressive sequence of paintings at Agnew's, the result of ber recent journey into the outback, spoke memorably in their different ways of the power of the desiccated, scrubby landscape of remote Australia upon the visual imagination. At Waddington, Fiona Rae's latest large abstractions showed that sbe is developing from student precocity into s substantial painter.

As for sculpture, the major event was the Anthony Caro retrospective at Tokyo in the summer, which for the first time incorporated the figurative work of tbe 1950s into the critical sequence of his development. There were other special treats, notably Kim Lim's refined minimalist carving at the Yorkshire Sculpture Park, and William Turnbull's admirable elision of his earlier and his latest enigmatic monuments, still on at the Serpentine. Tbe great Spanisb scolptor, Eduardo Chillida, at Annaly Juda, and Michael Sandle, at the Liverpool Tate and at Jason & Rhodes, were also outstanding.

But, Poussin apart, the public sector did bring us some fine things. *Drawing the Line*, which opened in Southampton and toured the country, was Michael Craig-Martin's personal selection of drawings, ancient and modern. It brought together a great many extremely beaotiful and interesting things, and set the debate, still running, as to what is the nature and importance of the practice of drawing.

British Impressionism at the Barbican, uneven as it was, again opened up its subject, so long writteo off as secood-rate. At the National Gallery, *Spanish Still-Life from Velazquez to Goya* was a true eye-opener, one of those rare exhibitions which hang in the memory for years; Turner's Fighting Temeraire one of those closely-focused study shows which the gallery now does so well; and Frank Auerbach's many studies from paintings in the collections, a robust justification of the gallery's continuing practical engagement with living artists.

Again at the Hayward, the showing together of French Impressionist landscapes with their contemporaries of the Salon, was another salutary revisionist exercise. And in bringing us the Marzotto Collection of 19th century Italian painting, the Accademia Italiana brought to us a school of art that in this country we had almost forgotten. *Art and Power*, the Hayward's current offering, bravely grasps the nettle of the art and architecture of the totalitarian powers between the wars.

In Edinburgh, Canova's Three Graces were unveiled at ths Scottish National Gallery, tbe Royal Scottish Academy put on an extraordinary historical survey of Scottish photography, and Flemings Bank showed a selection from its collection of Scottish painting, clearly as sound an investment as it is a delight. John Bellany showed a fine group of large new paintings at the Talbot Rice, and Barbara Rae was oo less impressive st the Scottish Gallery. Best of all was the group show *From London*, of the work of six senior figurative artists, Kitaj, Freud, Bacon, Auerbach, Kossoff and Michael Andrews, who died earlier in the summer. At 67, he was the one great loss to British art of the year. His last, elegiac painting, of the river estuary wben the tide is out, was a poignant memorial.

One of the Utamaro works at the British Museum: an important study of a great artist

Abroad, the Egon Schiele drawings at the Fondation Giannadia, at Martigny in Switzerland, were wonderful, and the Cézanne at Paris still speaks for itself. And then there was Venice and the Biennale, which would not be the Biennale if it were not stuffed with the most dreadful rubbish, and yet full too of surprise and delight. Leon Kossoff, British representative and a painter for a change, could not have been shown more sympathetically. The Biennale's centrepiece, Jean Clair's *Identity and Otherness* at the Palazzo Grassi and Museo Correr, was an extraordinary pot-pourri of interest, as it took us through a century of artists' eogagement with the buman figure. Not to be missed.

But wbat were my personal favourites? Cézanne? That can wait until next year. The Art of Africa at the Royal Academy? It was certainly the bravest of exhibitions, and full of most beautiful things. That lovely little show of William Nicholson's landscapes and still-life at Eastbourne? Possibly – it was certainly an overdue tribute to an exceptional painter. Turnbull, at the Serpentine? Perhaps – for it was a most stimulating choice, by David Sylvester, of work hy a true but nnder-rated artist. Schiele in Switzerland? Almost. Utamaro at the British Museum? Very nearly, for it was quite as ravishingly seductive as the Schiele, and a most important study of a great artist.

But really it has to be Ruskin'a Turners, sbown in spring at the Clore Gallery of tbe Tate. The steady flow of shows of Turner'a work on paper has been one of the unsung achievements of art-scholarship at the Tate these many years. Here was Ruskin, shortly after the death of his hero, making a selection from the myriad sheets and sketch-books, that would clarify to the mid-Victorian puhlic something of the artists' mystery. Here then were all annotations, of the old apologist, his quibbles and his doubts, and his unstinted praise, to set beside the magical works themselves. It, and they, were wonderful.

William Packer

Television

Ring in the new

Well, of course there is a repeat of a Bond movie over the New Year weekend: *Never Say Never Again* on BBC1 just after teatime on Monday (1983, starring Sean Connery). Q is heard to say "Good to see you again Mr Bond, let's get back to some gratuitous sex and violence, I say!" And of course ITV falls back on yet another collection of boo-boos presented by the all too imitable Denis Norden: *It'll Be All Right On The Night 8* (this evening at 8.05). Presumably he will do No. 18 on a Zimmer frame. And naturally there will be a Ruth Rendell "Mystery Movie": *Heartstones*, starring Anthony Andrews, on ITV on Monday at 8.30. John Mortimer's daughter Emily plays an anorexic teenager. You will have no difficulty finding these programmes because the broadcasters will trail them relentlessly. But what else is there?

SATURDAY: 10.30 in the morning may not be your favourite time to watch television, but BBC2 is repeating *The Voyage Of Charles Darwin* which is one of the best series I have ever seen. Made by Christopher Ralling in 1978, it remounts and dramatises the voyage of the Beagle and incorporates the relevant wildlife material. Stunning. Set the VCR to catch it. 2.50 pm *Sunrise*, Channel 4, this year's "Thames Silent". Made by F.W. Murnau in 1927, it combines the styles of European and American cinema. It won three Oscars in the first year of the awards. The story is frankly far-fetched, but this is a piece of cinema history that should not be missed. 6.50 pm *Bookmark Special: I, Graves*, BBC2. The story of the poet who wrote *I, Claudius*, with contributions from family and the female "muses" with whom he "communed" for many years. 8.35 pm *Hoop Dreams*, BBC2. Nearly three hours long, an engrossing American documentary showing what it means to be a young, gifted, black basket ball player in the US today. It feels slow at the start. Give it a chance. It has much to tell about American mores

NEW YEAR'S EVE: 2.35 pm *The Makropulos Case*, Channel 4. The Glyndebourne production of the Janáček opera, composed in 1925, telling of a famous singer whose life has been prolonged by a secret formula to a point where all pleasure has palled. 4.40 pm *Cardiff Singer Of The World: The Masterclass*, BBC2. Joan Sutherland, Ileana Cotrubas and Tom Krause pass on some of their experience to six of the singers in this year's Cardiff contest. 6.45 pm BBC1 begins a new run of the astoundingly successful *Antiques Roadshow*, in Ely Cathedral. Unscripted, unrehearsed and utterly English, this series started in 1979 and ever since has fascinated those with family junk in a loft or garden shed. Today the chap who believes he has two rather boring Louis XVI tables discovers they are English copies, only 100 years old, yet should be insured for £10,000. "Good grief, you're joking!" he says in the approved fashion. 7.00 *Riverdance: The Show* (Channel 4) provides 90 minutes of the sort of dance extravaganza, including massed Irish folk dancing, which brought the house down when an extract was screened during the 1994 Eurovision Song Contest. 7.30 pm *Moving Pictures Special: The Reality Trip*, BBC2. Old and new tricks of technology in the cinema. 9.55 pm *Screen Two: The Return Of The Native*, BBC2. Catherina Zeta Jones stars as Eustacia Vye, who goes to live with her grandfather in Egdon Heath village in the mid 19th century. Adaptation from Hardy's novel by Robert Lenski, direction by Jack Gold. 10.05 pm *I Worked With Morecambe And Wise... And Look What Happened To Me!*, BBC1. Some of the guest/stooges look back over the shows transmitted in the 1970s. Repeats from M & W are usually better than new material from most of today's comedians.

NEW YEAR'S DAY: 12.30 lunchtime *Solti Conducts: The World Orchestra For Peace*, BBC2. To celebrate the 50th anniversary of the founding of the UN, Solti conducted a concert in Geneva in July played by an orchestra – which he chose – consisting of 81 musicians from 45 orchestras. It sounds perilous but we are assured that the performances of Rossini's *William Tell*, Bartók's "Concerto For Orchestra", and the finale from Beethoven's *Fidelio* were "unforgettable". 5.50 pm *Pavarotti And Domingo At The Met*, BBC2. In the gala double bill opening the New York Metropolitan Opera's 1994/95 season, Luciano Pavarotti sings Canio in Leoncavallo's *Pagliacci* and Placido Domingo sings Luigi in Puccini's *Il Tabarro*. 9.00 pm *Arena: The Burger King*, BBC2. One of those programmes which people will ask you next day whether you saw. If you say no, they will describe it to you in hideous detail. This is a one-hour special documenting the life and cuisine of Elvis Presley. His regular diet was cheeseburgers and fried peanut butter and jelly sandwiches. He was also partial to French loaves split twice lengthways, spread with a jar of peanut butter, a jar of jam, and a pound of crisp-fried bacon. Well, you don't have to watch.

Christopher Dunkley

ARTS

Cream of the crop

The FT's selection of top arts events in 1996

ABSTRACTION IN THE 20TH CENTURY:

COROT:

RE-OPENING OF PALAIS GARNIER:

GALLERY OF MODERN ART, GLASGOW:

DEGAS – BEYOND IMPRESSIONISM:

CHARLES RENNIE MACKINTOSH:

SHAKESPEARE'S GLOBE:

THE PROMS:

LINCOLN CENTER FESTIVAL:

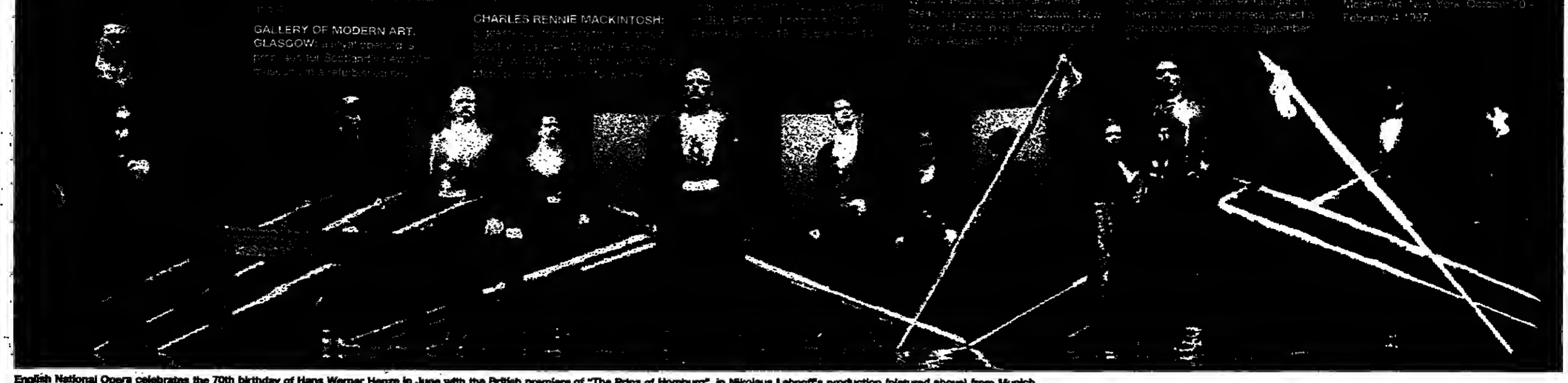
50TH EDINBURGH INTERNATIONAL FESTIVAL:

BRIDGEWATER HALL, MANCHESTER:

FREITAG AUS LICHT:

OUTIS:

JASPER JOHNS:



English National Opera celebrates the 70th birthday of Hans Werner Henze in June with the British premiere of "The Prinz of Homburg", in Nikolaus Lehnoff's production (pictured above) from Munich

Tuned in to the high priests of period style

Andrew Clark looks forward to a year of change in which historically aware musical interpreters will be more visible than ever

The high priests of period styls are on the rampage. Roger Norrington makes his debut with the Vienna Philharmonic. John Eliot Gardiner conducts opera at Salzburg. William Christie comes to Glyndsbourne. And Marc Minkowski storms the Bastille – not with his own period-instrument band, but with the battle-hardened Opéra orchestra.

Over the next 12 months, historically aware interpreters will be more visible than ever, as bastions of musical tradition open their doors to the wind of change. For the past two decades the UK and the Netherlands have set the trend. Now, thanks partly to the proselytising power of recordings, the rest of Europe is catching up.

Salzburg welcomes Trevor Pinnock's English Concert to the annual Mozartwochen in late January. Thomas Hengelbrock's Freiburg Baroque Orchestra and René Jacobs's Concerto Köln will be resident at the Berlin State Opera throughout February. Sigiswald Kuijken's La Petite Bande visits the Lucerne Easter festival in March. And when Nikolaus Harnoncourt conducts the Royal Concertgebouw and Berlin Philharmonic Orchestras, his programmes will be devoted not to the "period" ghetto of baroque to early Romantic repertoire, but Brahms and Berg. Authenticity is entering the European mainstream.

After the exertions over Hindemith and Purcell in 1995, the anniversary industry has an easy year ahead. Hans Werner Henze's 70th birthday (July 1) prompts a flurry of performances around Europe – including the British premiere of *The Prinz of Homburg* at ENO (June 22), in Nikolaus Lehnhoff's production from Munich. Friedrich Cerha and György Kurtág will also be 70: the London Sinfonietta presents a Kurtág weekend in London (Feb 23-24), and Cerha has his own concert series at the Salzburg festival. The Swiss musician and patron Paul Sacher will be 90 on April 28: Boulez and Birtwistle head the list of composers writing birthday tributes. The centenary of Roberto Gerhard will be marked by concerts in Barcelona (Jan 26-28) and Madrid (Feb 23-24), and a revival of Opera North's production of *The Duenna* in April.

Highlights of the London concert calendar include the LSO's Mozart/Bruckner series at the Barbican (Jan-April), a Birtwistle festival at the South Bank Centre (April 12-May 4) and Riccardo Muti's return to the Philharmonia after an absence of 10 years (April 18). "Towards the Millennium", the CBSO's decade-by-decade survey of the 20th century, reaches the 1950s: audiences in Birmingham, Cardiff and London can hear Simon Rattle conduct Stockhausen's *Gruppen*, Martinu's *Gilgamesh* and a selection of Bernstein (March 2-19). The Hallé Orchestra inaugurates its new home in Manchester in September with specially-written works by George Benjamin, Thomas Adès and John Adams.

Other premieres planned for 1996 are Robin Holloway's Third Concerto for Orchestra for the LSO (April 16), a Proms commission for John Woolrich (Aug 14), James MacMillan's new opera at the Edinburgh festival (Aug 29) and an orchestral work by Colin Matthews to mark the 50th anniversary of the BBC's Third Programme (Sept 29). Peter Maxwell Davies conducts the RPO in the premiere of his Sixth Symphony at Orkney (June 22); his new opera, *The Doctor of Myddfai*, is unveiled in Cardiff (July 10).

The Royal Opera starts the year with a new Haitink/Vick production of Tippett's *The Midsummer Marriage* (Jan 16). There will be a revival of the classic Rudolf Hartmann staging of *Arabella* with Amanda Roocroft and Bryn Terfel (March 27), plus five productions of rare and popular Verdi. The 50th anniversary of the re-opening of the Royal Opera House (Feb 20) is to be marked with a performance of *Sleeping Beauty*. The Royal Ballet also promises a new production of *Anastasia*, Kenneth MacMillan's full-length ballet about the youngest daughter of Tsar Nicholas II (May 2). Another noteworthy UK dance event is English National Ballet's new *Cinderella*, choreographed by former Royal Ballet dancer Michael Corder (Feb 14).

Phyllida Lloyd will stage Cherubini's *Medée* for Opera North, with Josephine Barstow in the title role (April 15), while Scottish Opera promises a McGegan/Kokkos production of Gluck's *Alceste* starring Isabelle Vernet (April 2). Welsh National Opera has new stagings of *Cav and Pag* (March 5) and *Faust* (April 16). Glyndebourne opens on May 17 with Peter Sellars's version of Handel's *Theodora*. The other new production is *Lulu*, conducted by Andrew Devis and staged by Graham Vick, and there are revivals of *Arabella*, *Così fan tutte*, *Ermione* and *Eugene Onegin*.

British stage directors dominate the 1996 Maggio Musicale in Florence: Jonathan Miller produces *Idomeneo* (May 2) and Vick tackles *Lucia di Lammermoor* (May 26). La Scala, Milan, has *Madama Butterfly* with Galina Gorchakova (Jan 11), a revival of *Les Troyens* (April 6) and a new production of *Das Rheingold* (May 30), the second instalment in the Muti/Engels *Ring*. The Kirov Opera brings Prokofiev's *The Gambler* to Milan (Jan 23-Feb 11) and Paris (Feb 15-25).

Another rarely performed Russian opera will be staged in Zurich: Vladimir Fedoseyev conducts Glinka's *A Life for the Tsar* with Matti Salminen as Ivan Susanin (May 27). In Vienna, Mstislav Rostropovich conducts the Austrian premiere of *Peter Grimes* (Feb 12): has it really taken 50 years for Britten's most popular stage work to reach the State Opera? And in Moscow, the Bolshoi Ballet takes John Cranko's *The Taming of the Shrew* into its repertoire (Jan/Feb).

The most eye-catching event in Paris is the re-opening of the Palais Garnier with concert performances of *Don Giovanni* conducted by Solti (March 1) and a new production of *Così fan tutte* (March 2). Equally enticing is *Don Carlos* et the Châtelet (Feb 27), sung in French by e cast including Roberto Alagna and Karita Mattila. The Opéra Ballet has programmes of Balanchine (Feb 13), Jerome Robbins (March 18) and Roland Petit (April 25).

Klaas de Vries's new opera *A King, Riding* is premiered in Brussels on May 21. Everything at the Amsterdam Muziektheater is worth considering, from *Werther* witb Susan Graham as Charlotte (Jan 14) to a new Chailly/Zadek production of *Otello* (June 1). Germany's opera schedules bring meagre pickings. David Pountney produces *Aida* in Munich (Jan 19), Berlin's Deutsche Oper revives Enescu's *Oedipe* (Feb 10), and John Dew stages the European premiere of the Stewart Wallace/Michael Korie gay opera *Harvey Milk* at Dortmund (Feb 24).

In the US, the Met kick-starts the year with an English-language version of *The Makropoulos Case* (Jan 5), and continues with new productions of *Così fan tutte* (Feb 8), *La forza del destino* (Feb 29) and *Andrea Chenier* – Pavarotti's first stage performances in the title role (April 6). James Levine ends the season with a gala marking the 25th anniversary of his Met debut.

New York's concert highlights include Berthold Goldschmidt's Cello Concerto played by Yo-Yo Ma (Jan 26), a festival of Spanish music (Feb 8-13), the last two instalments of Garrick Ohlsson's Chopin cycle (Feb 11, March 31), the New York premiere of James MacMillan's *Veni, Veni, Emmanuel* (March 7) and a Renée Fleming song recital (May 30).

Houston Grand Opera marks the Virgil Thomson centenary with *Four Saints in Three Acts* (Jan 26), and makes its first visit to the Edinburgh festival. Chicago Lyric Opera's *Ring* reaches a climax with three complete cycles in March. In Washington, Leonard Slatkin conducts concerts marking the 25th anniversary of the Kennedy Center (April 27), and takes over as music director of the National Symphony Orchestra in September.

Looking ahead to the summer, New York's Lincoln Center stages its first international festival (July 22-Aug 11). An ambitious programme ranges from a full-size gagaku ensemble performing traditional Japanese court music, to Lyons Opera Ballet and Dublin's Gate Theatre. Santa Fe Opera celebrates its 40th anniversary with a new production of Strauss's *Daphne* and e Tobias Picker world premiere. Glimmerglass marks the 75th birthday of American composer Jack Beeson by reviving his 1965 opera *Lizzie Borden*. Back in Europe, Bregenz unearths Chausson's *Le roi Arthus*, and Bayreuth mounts a new *Meistersinger*. At Salzburg, Gerard Mortier has persuaded Solti to collaborate with Herbert Wernicke on a new staging of *Fidelio*, while Gardiner conducts semi-staged performances of *Leonore*, Beethoven's first version of the same opera.

The Little Mermaid, the city's best known cultural monument

Tony Andrews

Danes take on Europe

Martin Hoyle reports on Copenhagen, the 1996 Cultural Capital

Imagine the Royal Opera, Royal bellet, Royal national Theatre and a national orchestra – the oldest in Europe – all under one roof. Of course, it might help that the highest-ranking bureaucrat is appointed not from the media but from the ministry of defence. Imagine them working harmoniously without money worries; imagine tickst prices reaching a ceiling of £30-£35 (though £50 for *Parsifal* has been known). All subsidised, of course. The official aim is to make opera-going as easy and appealing as going to the cinema. Imagine the press, local and national, discussing the arts as a matter of course. All this in the capital of a country whose total population is half that of London's.

Copenhagen is limbering up to be the new Cultural Capital of Europe. London was made aware of the fact last summer: the National Radio Symphony Orchestra played at the Proms, the Danes' Royal Opera brought an exhilaratingly youthful production of *The Love of Three Oranges* to Covent Garden while thsir Royal Ballet brought a slightly less lively work with a score by Sir Peter Maxwell Davies, the company's orchestra played at the Barbican, and the Danish National Radio Choir, a superbly drilled body with a brave taste in repertoire, has dazzled admirers of choral virtuosity.

The Danish Royal Opera has the best of both worlds: the ensemble ethos still applies but the company also produces voices of international standard. Elaine Padmore, the opera's director, explains that the Danes had to be persuaded of their strengths. "It's been the glory of Denmark but it's never courted the world or made claims for itself." Operas were sung in Danish and, since the company never used guest singers, the repertoire was limited to talents evailable. There was a slow turnover of productions, very satisfying at some levels, but some people knew something more challenging could be dons. Only in the innermost parts of Russia do you find such closed ensembles."

Now the Danes are getting used to international success. Among last summer's visitors to London was Inger Dam-Jensen, the Cardiff International Singer of the Year s couple of years back. Padmore, with her distinguished record at the BBC and Wexford, sees her job as getting the Danes to recognise their own worth. "Copenhagen can't tuck itself away in northern Europe. It's an important European capital. Yon wouldn't expect to go to Brussels or Amsterdam and not enjoy opera. I'm not trying to destroy their basic Danishness. I'm advertising it."

The Royal Ballet has enjoyed international fame for far longer. Having turned her hand to costume designs for the ballet, Queen Margrethe has allowed disused palatial riding school premises to be used for next summer's production of Berg's *Lulu* put on by the Danish National Radio State Orchestra – on one condition: that a horse appears somewhere in the production. Given *Lulu*'s circus-like opening, this should not be too hard.

As Jane Sandberg of next spring's "Golden Days in Copenhagen" festival points out, self-advertisement is not in the Danish temperament, more the modest, clear-eyed certainties that characterise its art. The golden age of Danish painting corresponds to the Biedermayer period of Vienna but is less cosy, less plush, with a cool Nordic breeze blowing through those domestic interiors.

Damage sustained in the Napoleonic Wars resulted in the redesigning of the capital and its present-day neat doll's-house mixture of elegance and self-effacement. The loss of Norway in 1814 and, half a century later, a third of Denmark to the Prussians, intensified the romantic rediscovery of Denmark's own folk-tales, landscapes and monuments some going back to the Stone Age. One of the most intriguing features of "Golden Days in Copenhagen", repeating the success of a similar festival two years ago, is a programme of city walks and country excursions tied in with golden age painters and including visits to some of their best-known landscapes.

The *Schodenfreude* aroused by big brother Sweden's financial worries is, however, tinged with anxiety that it may be Denmark's turn soon. And Jane Sandberg has met no-one who does not think a united Europe a "silly" idea or who wants a common currency. Feelings can run un-Danishly high in these matters: the second referendum on Europe sparked riots.

Nevertheless, the city prepares for its year as Europe's Cultural Capital with almost grim determination. The enterprise's autonomous organisation rather controversially seems to ignore most of the established cultural institutions – though the Theatre Royal will host an amazing range of visiting dance companies – and, taking a leaf from Glasgow's book, aims to eodow the city with permanent new venues from renovating and rebuilding schemes. The most exciting is the renewal of a disused naval base, barred to the public for years, employed for the UN Summit of Social Development last March, when it was visited by 100,000 Danes previously denied access. Schools of film, architecture, theatre, a music conservatory – all are planned for the area, to be served by new waterbus routes from the harbour. In a generously subsidised state the mixed funding necessary for such a project has, you suspect, taken the Danes by surprise. "People think it's easy to get funding," says Bo Dyhkaer of "Copenhagen 96", wide-eyed with surprise. "It isn't always."

To revert to the National Theatre that seems to sum up so many of the national virtues: by the turn of the millennium three new stages will be functioning in the building, to the patent relief of theatre and opera staff, since both the handsome 19th-century Old Theatre and the 1931 New Theatre have their limitations. The latter was built as an orchestral broadcasting studio and has awkward sightlines, but is protected as part of a mouth-watering Art Deco design that deserves to be shipped bodily to the Victoria & Albert Museum in London. Elaine Padmore is aware she is now part of a tradition that goes back 200 years and that there is a danger of becoming "inward-looking and self-congratulatory ... We've got to stay as innovative as the founders were." The motto might well apply to Denmark's cultural life in general: in a modest, courteous way, of course, that asserts itself with the utmost good manners.

FOOD AND DRINK

Eating Out

Dishes doomed to fail – or thrill

Nicholas Lander asks four top chefs about the year's hits and misses

Chefs are continually experimenting with new dishes garnered from their travels, eaten in other restaurants or discovered in old cookery books.

In the era before word processors and laser printers these dishes were easy to spot. They would appear as daily specials attached rather clumsily to the corner of the main menu by a paper clip.

Today, however, a chef can incorporate any new idea straight into a daily printed menu. Its success and continued presence on the menu depends on how many customers choose it, enjoy it and, crucially, make their comments known to the waiting staff.

Here are some gastronomic highs and lows of 1995.

Juliet Peston, Alastair Little, London W1, 0171-734 5183

■ I recently bought some fabulous Italian black truffles. They really tasted earthy and smelt wonderful. I put them on the menu and did not charge extra for them above our set price menus. I cooked chicken with them. That hardly sold. I made a truffle flavoured broth to go with bollito misto, mixed boiled meats. That did not sell at all. I put them in rocket salad and on a Jerusalem artichoke pizza and these still did not sell. I give up.

■ The popularity of "escalivada" exceeded all expectations. It is a Catalan barbecued vegetable salad. Unpeeled anbergines, peppers, courgettes, onions and tomatoes are thrown on to the barbecue until blackened and cooked. They are peeled when cool enough to handle, torn into strips and dressed with olive oil, basil, salt and pepper. That's it. It is delicious hot or at room temperature. I serve them with thin slices of toasted flatbread spread with olive paste. I also use it as a garnish for lamb.

Rowley Leigh, Kensington Place, London W8, 0171-727 3184

■ I have recently been making a pissaladière of sardines for the set lunch menu. It is a very thin sheet of puff pastry, covered with a layer of sliced onions cooked to a melting sweetness, criss- crossed with tiny, very fresh sardines, lovingly filleted. These are criss-crossed again with anchovy fillets split in half, sprinkled with tiny rounds of very finely sliced chilli and stuffed with segments of black olives.

I think it is amazingly good and generally make enough for 20-30 people, about average for a set lunch item. I sell about half a dozen and the staff eat the rest at 3pm. I thought it might be because of the name so I made it with pizza dough the other day, called it Pizza but it sold no more than the pastry version.

■ However, stick six rock oysters, on a skewer, dredge in flour, dip in batter and deep fry to a crisp and you have a real winner. Oyster fritters with tartare sauce has been this season's hit.

I like them both.

James Martin, Chef, Hotel du Vin & Bistro, Winchester tel 01962-841414

■ A hot, caramelised white chocolate butter pudding with Glenfiddich ice-cream.

Not even the name of this dish went down well, although I thought it would. I had made it before when I was working in a hotel kitchen from breakfast croissants that had not been sold and my interpretation was to add the white chocolate and the whisky ice cream. I thought it was one of the best tasting dishes but I hardly sold one.

■ When I was cooking with Antony Worrall-Thompson at 190 Queensgate in London I learnt to cook a dish of braised lamb shanks with garlic, flageolet beans, tomatoes, peppers and olive oil mash. There we cooked the meat slowly for four hours but when I introduced it on to this menu I cooked it even more gently for 12 hours. I knew it would sell but I am completely surprised by how well. On the first night we sold every single portion and now we sell about 250 portions a week.

Phil Vickery, The Castle, Tannton, Somerset, tel 01823-272671.

■ We have a wonderful grower who keeps a two-acre walled garden behind his Palladian mansion, just five miles away. He has been cultivating five varieties of beetroot for us: marbled, red, yellow, white and dark red. They were absolutely superb: sweet and deeply flavoured.

I put them on the menu as part of a dish with grilled calves liver and mashed potato. It was delicious and looked wonderful on the plate.

Unfortunately, while the customers were very happy with the calves liver and the mash, they insisted on the dish without the beetroot! Beetroot, even the very best, still suffers from a serious image problem.

■ Ox tongue can be a difficult item. Occasionally, I have put it on with gherkins and mash but it is not a great seller.

Recently, I decided to braise tongues and then add white grapes and flaked almonds and the response was extraordinary. We sold three whole tongues, that is about 20 portions, and I could not believe the enthusiasm. At least this tells us that people do enjoy eating tongue – but gherkins seem to be a real no-no.

Juliet Peston, head chef at Alastair Little's Frith Street restaurant in London — Trevor Humphries

Fine Cognac / **Giles MacDonogh**

A high price for a lost world

Cognac is pretty expensive for *what it* is. A five or six-year-old VSOP from one of the better houses retails at around £30 a bottle. Whisky is a bargain by comparison: for that money yon can have a 15-year-old malt from the best distilleries in Scotland.

Despite these unfriendly prices, I drink and enjoy the occasional cognac. Cognac has that finesse; its ability to excite the palate almost musically with harmony and counterpoint. But to do this, cognac has to be old.

After 25 years or so it develops a character known as *rancio:* the brandy throws a russet tint, and tha taste becomes rich in apricot, spice, mushroom and candied fruit tastes; a bit like fine old oloroso sherry, or madeira. That is when hrandy becomes interesting. It is also when it starts to be very expensive indeed.

David Baker, of Classic Cognacs specialises in this sort of cognac. I met him recently at Dukes Hotel in London to look at some of his range. The first bottle out of his box of tricks was a Château de Montifaud XO from a privately owned estate in Jarnac. It was the real thing, throwing a little reddish colour when held up to the light, soft and long. It costs £34, hnt then the often younger and less impressive XOs from the big houses generally cost more.

The Exshaws were originally a Dublin family who set up shop in Bordeaux some time during the Napoleonic Wars, and began trading in brandy. There are still a few of them about. Idling around one of the more elegant streets off the Quai des Chartrons a few years back, I saw one descendant's name inscribed on an impressive brass plate.

In 1875 they were bought up hy another Irish name in Cognac (there are several after all), Otard (which was originally O'Tard). Later they were part of the Bass Charrington empire at a time when the brewers were diversifying into foreign things. Now they have changed their minds.

Exshaw was always the elite division of Otard. Their No.1 is roughly 30 years old, a Grande Campagne cognac in what Baker calls "the English taste": almost ansterely dry with something of the aroma of vine flowers, which, for anyone who is unfamiliar with the scent, smell a little like soap.

There was much more to this cognac: chanterelle mushrooms, apricots and vanilla; the broad panoply of flavours associated with rancio. On the palate it was ever so slightly woody, showing that the time had come to remove it from its cask and usher it into bottle. It costs £99.

The best of Baker's range came from the small house of Croizet which owns about 150 hectares of land in the prestigious Grande Champagne region around the town of Cognac itself.

The most approachable (from a pecuniary point of view) was the XO. Baker thought that there was a certain amount of faster maturing Borderies spirit in it, giving it its characteristic nuttiness. I found a little nuance of bananas too. This 30-year-old cognac costs £88.

Many of the Croizet cognacs were still in cask, such as the 1966 Grande Champagne with its slightly catty character (apologists dislike references to tomcats, and call it "flowering currant"). It was a beautifully long, magisterially constructed cognac.

The 1944 had also yet to be bottled. This had classic *rancio* flavours of apricot and vine flowers, and all that liveliness on the palate which the French call *nervosité*. It was intensely long.

> The strength of some Croizet cognacs has fallen below the legal minimum

Cognac is not thought to derive any benefit from lying in cask for more than 50 years, hnt Croizet defies the rules. The firm's owners feel that the 1936 "Piton" has just about had enough, and they are ready to run it off into demijohns, or (God forhid), bottles. It was sheer delight and for a cask sample of this age, extraordinarily unaggressive in its tannins.

Some of the Croizet cognacs have spent so much time in cask that their strengths have fallen below the legal minimum of 40 per cent.

Special dispensation has therefore been sought (and granted) to sell them on the open market. The Coup Paradis of around 1900 (no one is quite sure) is a Grande Champagne which comes at 38 per cent. I suspect that these older cognacs were made from a different grape mix, for the character appears to be different. The old Folle Blanche and Colombard vines possibly contributed something of the banana-and-butterscotch aroma of this venerable old cognac, and its massive length.

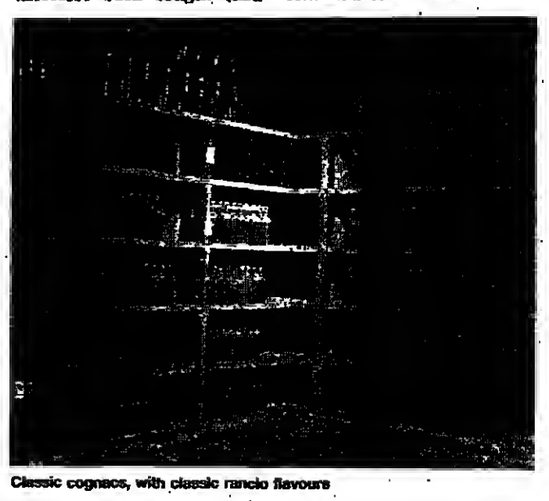
In 1892 a Croizet daughter married a member of the Eymard family which now owns the firm. Mademoiselle Croizet'a dowry was made up of an appetising collection of old cognacs, some of which the firm still keeps locked in its *paradis*. Every now and then a few bottles of these make their way on to the market.

"Lot Paradis", for example, is a blend of Grande Champagne cognacs from years between 1860 and 1870, that means pre-phylloxera vines, as yet ungrafted on to American rootstock. Whan the blight made its way up to the Charente it wiped out all the old vines, and the old, frail grape varieties were set aside in the replanting. This was rich and toffee-like with a hig, sweet taste of apricots and considerable power.

The 1858 Grande Champagne (36.7 per cent), transfered to glass in 1932, was altogether different. It had a citrus character combined with the taste of mint and aniseed. It was long and cooling, having none of the fire of the Lot Paradis. A remarkable treat.

This Louis-Napoleon cognac (his uncle was a rather abstemious man – and a better general) costs all of £800 a bottle. Hardly a bargain, but you pay a high price to experience the world we have lost.

■ *Information: stockists from Dnvid Baker of Classic Cognacs. 01225-867419. Croizet 50-year-old (not tasted) comes at £180. Prices for the others are between £200 and £500.*



Classic cognacs, with classic rancio flavours

Cookery

Now is the hour for metrication in the UK

Philippa Davenport accepts that familiar old pounds, ounces and pints are doomed to extinction

The turn of the year is a traditional time for reflection and resolution, and I have been mulling over the thought that I am an ostrich which refuses to acknowledge that we live in the 20tb century.

I own neither fax nor answering machine, I prefer pen to computer, and to date I have persisted in testing and writing my recipes in imperial units only. How much longer can this go on?

After considerable deliberation, I have decided my old-fogey approach is no longer appropriate. Tha time bas come to stop deluding myself that metrication will go away if I ignore it.

It has been dozing in the wings of British politics for decades of course, but it is only this year that it has become an overriding issue.

At the beginning of 1995 the UK's pounds, ounces and pints still dominated the British market place. So it seemed to me, living as I do in England, perfectly reasonable and natural to think and cook in imperial measurements.

Then on October 1 the first serious step towards metrication came into force. Legislation dictated that from that day forward many foods in the UK must be sold in metric units – and the majority dropped any reference to imperial weights and measures from their labels.

The effects have been dramatic. Look at what you thought was a familiar half-pound pack of butter and yon will see a 250g packet. Similarly, hags of flour, pasta, pulses and dried fruits are all sold in metric units.

The same is true of ingredients as varied as balsamic vinegar, crème fraîche, chargrilled vegetables in olive oil, tins of anchovy fillets, boxes of sweetmeats, bars of chocolate, packets of tea, biscuits and coffee beans, sacks of potatoes, pillow packs of rocket and other salad ingredients, nets of mussels and citrus fruits, film-wrapped free-range poultry, vacuum-packed lobes of fresh raw foie gras, and much more.

Any and every comestible that comes in a tin, jar or other form of ready-wrap is now, hy law, sold in metric units.

Fish, meat, fruit and vegetables that are sold loose rather than pre-packed, have been given four years to change over to metric measurements. But by the end of 1999 imperial units will be dead and buried in the UK and metric units will be the mandatory measuring unit for *all* food shopping, right down to the last shrimp, pig'a trotter, peapod and cherry.

You could argue that there is no need to bother to think metric until the option to think imperial is completely swept away.

I have little appetite for change, but the effects of October's legislation in the UK are so fundamental and far-ranging that, like it or not, Britons have been catapulted more than halfway to metrication already. So might it not make better sense to embrace the inevitable and get to grips with it quickly?

D-Day (Decimalisation Day), when the new monetary system was introduced to the UK, involved a steep learning curve hut Britons coped surprisingly swiftly. They had to face the facts more or less overnight – and that can concentrate the mind wonderfully.

I propose to make a clean

break: drop imperial and start thinking and cooking metric without further ado. From January 1 all the recipes appearing on these pages will use metric units ouly.

Before all Britons throw up their hands and write to the editor, consider this. It is the *idea* of metric cooking, rather than the practice, that is truly daunting.

Recipe testing in metric over the past few weeks, I have come to appreciate the logic of dealing in multiples of 10, 100 and 1,000 – so straightforward compared to quaint Alice in Wonderland imperial pounds and pints, the first of which contains 16 ounces and the second 20 ounces.

The most useful advice I can give those willing to join me in making the change-over is *not* to waste time "translating" every metric unit hack into imperial. When adapting to decimalisation it may have been necessary to know that 25p was the equivalent of 2s 6d in order to avold being diddled, but all you need to set you on the road to metrication are a few rough guideline figures. The sooner you can start to *think* metric the easier it becomes.

The cook will gain nothing – except possibly a headache – from trying to memorise more than a few round numbers to act as benchmarks. Knowing precisely how many grams there are to a pound or an ounce is of little significance.

What is important to good cooking is using the right proportion of ingredients. It is particularly important when making such things as soufflès, pastry and cakes, where success depends on a delicate balance. Shortcrust, for example, calls for one part fat to two parts flour.

Here are a few pointers I have found useful to pin to my kitchen noticeboard and slip into my pocket as an *nide memoire* when going sbopping.

Given today's trend for serving meat and fish boneless and trimmed, it is worth knowing that 100g is about right for serving one person. Calculate accordingly when shopping for snch things as fillets or escalopes of fish, pork tenderloin, neck fillet of lamb, pie veal, magret of duck and stewing venison, allowing 100g for one person, 200g for two servings, and so on. Incidentally, 100g is sometimes written as 0.100kg on supermarket packs.

If meat or fish is on the bone you will, of course, need to allow more than 100g per person – but if you are buying, say, whole herring, pork chops, veal cutlets, lamb shanks or oxtail, the chances are that you will huy hy number of pieces not weight.

The other most useful rough and ready reckoner figure to remember is 500 – 500g or half a kilo is, roughly speaking, 1lb, while 500ml or half a litre is roughly speaking 1pt.

If you insist on being more precise (I query the advantage), think 30: 30ml is more or less exactly 1 fl oz, and 30g is almost spot-on 1oz. For larger quantities there is a mnemonic concerning exact liquid conversions, which runs "one litre of water eqnals one pint and three-quarters". I do not know of, and have been unable to come up with, a jingle in similar vein for solids but the facts are that one kilo equals 2¼lbs. Any suggestions?

As the dual system of imperial and metric has existed in Britain for 20 years, most measuring jugs, spring balance and digital scales are marked both ways. A new set of metric weights will be needed, however, to update old scales that were bought *with* imperial weights only.

Depending on how old or new your baking tins are, they may or may not have both imperial and metric measurements printed on them. If marked in inches only, I suggest you scratch the centimetre size on tha underside of the tins with a larding needle to save having to measure them each time yon use them.

The British government seems regrettably reluctant to provide the information back-up needed to achieve an efficient change-over from imperial to metric.

The Guild of Food Writers has decided therefore to step into the breech to mop up existing confusions, to encourage a speedy switch to metric recipes in all publications, and to offer help and support to the consumer.

Tha guild has produced a leaflet giving general hints and tips on cooking in metric, complete with converaion, roasting, jam and marmalade making charts. It is also willing to deal with specific queries from cooks requiring further help.

To obtain a copy of the leaflet or seek advice, write (enclosing a stamped addressed envelope) to: The Guild of Food Writers, 48 Crab Tree Lane, London SW6 6LW.

Courage mes braves, bon appetit and a happy new year.

Property: State of the Market

Adjusting to an era of cussedness and fear

Gerald Cadogan looks ahead in the wake of the mortgage rate fall

Hough Hall, a grade II* 17th century house in Cheshire, for sale through Jackson-Stops with an asking price of £850,000.

Although the cut in the main mortgage rate to its lowest level (7.49 per cent) for almost 30 years may mean that 1996 will be the year the housing market starts to move, the experience of 1995 prompts caution.

If mortgage rates at 7.99 per cent for most of the past year and a cornucopia of enticing offers from the mortgage providers failed to unstick the market, why should a cut of half a point do the trick?

In 1995 buyers and sellers alike have shown cussedness and fear. Buyers are fearful of paying over the odds, and potential sellers decide to hold on "until prices go up" – which may mean, literally, waiting for the millennium. Or, in cussed fear of losing out now, sellers insist on an extreme guide price of their own divination, often choosing the agent with the most mouth-watering valuation.

But extravagant demands deter the keenest buyers, and are especially damaging to selling the property in the first crucial weeks of putting it on the market. When the price eventually comes down, this has less impact than it should because there is an air of cut-price goods – and because the likeliest buyers have already seen it and gone elsewhere.

Perversely, the awkward squad behaviour of the players in this slow market provides hope the market will improve. The cussedness is a way of coming to terms with the age of low inflation and reduced tax advantages for home ownership in which the home will play a lesser – but for most people still large – role in the family's financial planning.

Anxieties about job security and being able to meet the monthly mortgage payment complete a 180-degree turn from the 1980s' attitude.

The adjustment is often painful as buyers cannot understand why sellers refuse a reasonable offer, and sellers cling to their vision of what their property is worth.

But the adjustment is realistic. So is the growing attitude among younger buyers of being more choosy and looking for a home that will do for seven or eight years rather than two or three.

And, as East Anglian agent Bidwells found in a survey, the property should be less than 30 miles from their present home. Seventy per cent of the company's applicants want to stay in the area they know, as against 20 per cent from London and the Home Counties thinking of a move to East Anglia, and 8 per cent from the rest of the UK.

In south Devon, however, Marchand Petit reports a completely different type of prospective buyer, with 75 to 80 per cent from other parts of the country. Many are second home buyers who intend eventually to retire to Devon.

In the new post-boom and post-recession property market prices are unlikely to rise much more than inflation, but local variations may widen and, as people take longer to settle, renting will continue to rise in popularity.

The Halifax and Nationwide indices put the low point of 1995 in mid-summer. Figures for the whole year are depressed, with the November averages down 1.4 per cent (Halifax) or 2.2 per cent (Nationwide) on the corresponding 1994 figures.

But increases this autumn have been small, which suggests prices may have stabilised. If house buying can reverse its 10 per cent fall in activity of 1995, Halifax expects a price rise of about 2 per cent in 1996.

Yolande Barnes, of Savills Residential Research, agrees with this for the likely real growth in the main market.

With prime country houses, Barnes finds prices are "up 17 per cent on their slump levels" (in nominal terms). The best-performing regions of 1995 have been the South West and the West Midlands, with a 6.4 per cent rise in the year to September, followed by East Anglia and East Midlands with 5 per cent. The Home Counties saw 4 per cent growth.

Demand in the country for agent Jackson-Stops has been keenest at the top end (above £600,000), with sealed bids resolving several buyers' contests. It will be interesting to see what happens to Hough Hall, near Nantwich, in Cheshire (and 37 miles from Manchester), a grade II* 17th-century house with 19th and 20th century additions, which the agent is selling for £850,000. Contrast 1979 when Graham Adnitt, who is selling it now and sold it then, set a price of offers over £100,000.

The peak prices for 1995 are in the M4 corridor around Newbury, where Strutt and Parker said seven out of 11 sales in the last three months were agreed within a month of advertising. For typical five-bedroom houses with two acres at just under £500,000, Newbury was about £50,000 ahead of the St Albans area, and way ahead in nine-bedroom listed houses with 17.5 acres (at £1.3m as against £850,000). But for three-bedroom cottages with half an acre, St Albans beats Newbury by £225,000 to £200,000.

In Surrey, Andrew Dewar of Curchods has a helpful warning. "Achievable" prices are up between 3 per cent and 4 per cent on last year, "but there is still a lot of property coming on to the market at 15 to 20 per cent above its real value."

The spectacular rises in the London market came in 1993 and 1994, from a trough in autumn 1992; 1995 has been subdued, with a rise of just 4.6 per cent in the year to November according to Knight Frank & Rutley. But values are 33 per cent higher than in 1992, Savills estimates, suggesting real price growth will continue at just 1.5 per cent in 1996.

The Leasehold Reform Act 1993 is starting to have a noticeable effect. Short and mid-length leases are becoming difficult to sell if they are not enfranchiseable (or offer the chance of a long-lease extension). But this does not hold in places such as Eaton Square on the Grosvenor Estate, London SW1, where many of the residents are domiciled abroad and a very long-term foothold in London is less of an issue.

Motoring: Review of the Year / **Stuart Marshall**

Road rage enters the vocabulary

More cars were driven for greater mileages than ever before on Britain's roads in 1995, but they killed and injured fewer people than in 1994.

Road rage, a violent symptom of yob society, entered the vocabulary. Drink-driving, target of government publicity campaigns costing untold millions of pounds, became socially unacceptable.

At least, it did among the thinking classes. They now hope for a shift of emphasis. Instead of continuing to push against this open door – drink is blamed for only 10 per cent of all road accidents – they feel propaganda should focus on the real causes: carelessness, poor judgment, exhibitionism and aggressiveness.

In the past year, variable limits on the UK's most congested motorways have made some improvement to rush-hour traffic flows.

Automatic enforcement cameras on busy roads have made blatant speeding and shooting red lights expensive, both financially and in driving licence penalty points.

Traffic-calming measures may have raised the blood pressure of the impatient but have made life a little safer and less stressful for people living in urban rat-runs and country villages lacking bypasses.

We should rejoice that casualties went down although traffic went up, and that better security systems have led to fewer cars being stolen by opportunist thieves.

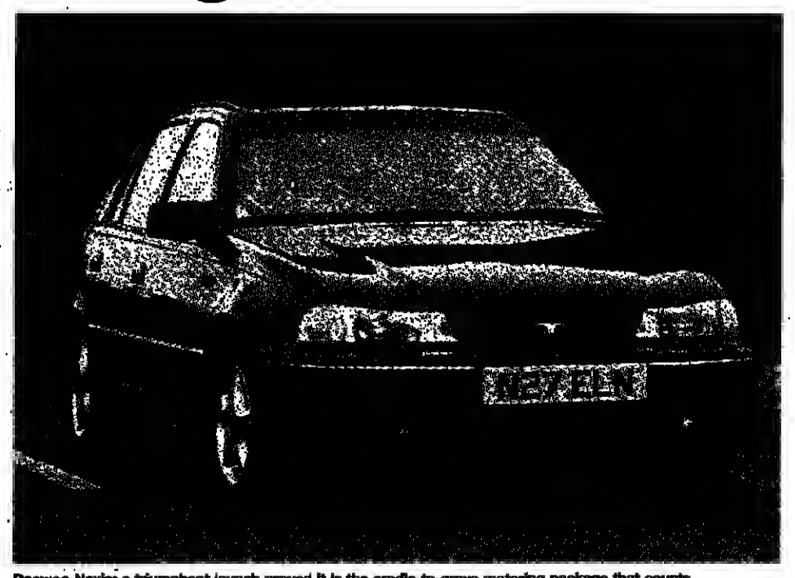
But fear of physical assault, even hijacking, has persuaded prudent drivers – especially women in quality cars – always to drive with locked doors.

So much for the conditions in which we motored in 1995. The cars themselves have become so good that, more than once, I noted the diminishing difference in performance and refinement between expensive ones and their cheaper counterparts.

However much you paid, you could not find more user-friendly cars than the new lower/medium size Fiat Brava and Bravo family hatchbacks at £9,608 upwards. And I think the Peugeot 406 upper/medium saloon, just pipped at the post by the Fiat twins as European Car of the Year 1996, offers Jaguar standards of ride and handling at half the cost of the cheapest XJ6.

Other highlights of 1995:

■ Petrol-engined cars began to approach the fuel economy of conventional, indirect injection diesel cars, but models with direct injection (VW Golf and Passat, Audi A4 and A6, Land Rover Discovery and Rover 600, for example) have moved the goalposts in diesel's favour. Some problems with cold-start clatter have to be resolved, but direct injection is the economy path all car diesel engines (and petrol engines later) will take.



Daewoo Nexia: a triumphant launch proved it is the cradle-to-grave motoring package that counts

■ The civilised benefits of air-conditioning as standard equipment spread to users of quite inexpensive cars such as the Peugeot 405, Volvo 440 and Seat Toledo, to name but three. (During our sub-tropical summer, I reckoned there were only two kinds of car; those with or without air-conditioning.) As it becomes more popular, it will be more affordable, particularly if fleet buyers and company user-choosers can be persuaded to do without a sunroof.

■ Daewoo's bunch was right. Plenty of retail buyers were looking not just for a car but for a complete, cradle-to-grave motoring package.

In spite of the funny name, and their rather dated mechanicals, more than 10,000 Daewoos were sold in the first six months following the UK launch in mid-year.

■ The British market was invaded by multi-purpose vehicles (MPVs) after being dominated for years by the Renault Espace.

Newly in the showrooms are MPVs from Citroën, Fiat and Peugeot (all virtually identical); Ford, Volkswagen and (soon) Seat (all hard to tell apart); and Honda.

Old favourites from Mitsubishi, Nissan and Toyota – and, of course, Renault – are still there. Yet more new ones are on their way.

■ First signs of a possible trend away from the use of recreational four-wheel drives as car substitutes were seen this autumn.

Will those who acquired them for their spaciousness and high seating position (never mind their costly but unexploited 4x4 transmission, lumpy ride and thirst) be seduced into equally lofty and even roomier multi-purpose vehicles in 1996? No one knows, but an MPV buyer gained could be a 4x4 buyer lost.

■ My personal 1995 choices. Most improved car: the Ford Fiesta, now offering executive-class refinement in a small package. Most improved marque: Fiat. The Punto (Car of the Year 1995) has been followed by well-built and desirably different cars such as the Cinquecento Sporting and Bravo/Brava.

Most sensible car I drove: the 2.1-litre, turbo-diesel Peugeot 406. The car I most regret not having driven: Rover's MGF – I was on holiday when it was launched.

Gardening

Some like it hot

Robin Lane Fox asks what we learnt from the weather in 1995

Every year, gardeners are supposed to learn from experience, but this year's experience has been peculiarly difficult.

There was no winter in England, but it rained so hard that most amateurs fell behind in their work. The spring was dry, but not as dry as the abominable summer which followed, scorching us all from the first week of June and recalling the terrors of 1976. The first, most useful lesson would be to understand why it happened in this way.

No one seems to have an answer, but there may be a hint from one of the books of the year, the historian Simon Schama's rambling, *Landscape, Myth and Memory*.

The book wants to argue that we still see the world about us in terms of myth, whereas ecologists and fervent believers in Greenpeace sometimes argue that we have emptied nature of mythology and are ruining her as a result.

As Mother Nature ruined me by refusing to rain on all my new plants, it seemed more likely that Schama had not gone far enough. Ancient societies could have told us what was wrong.

As readers of *The Golden Bough*, by James Frazer, the Scottish anthropologist, will remember, the central idea of early people in the Mediterranean was that a god or king of vegetation withdrew or withdraw from the world during summer months and the rains would only return when rituals set royalty or the gods to rights.

One possible ritual was to replace one king with a new one and thereby encourage the greenery to turn green and the gardens to grow freshly again.

This old mythology deserves more careful attention, before we replace it with the newer ones which Schama and his long-winded book define for us.

The most remarkable fact about this dry summer was that it was at its most dry in Britain, whereas parts of Europe escaped lightly.

Perhaps the old myths had understood it. These dry summers have coincided with acute turbulence in our royal House of Windsor and it was not generally noticed that the drought of 1995 broke when a new generation, Prince William, was brought forward through a significant rite of passage and was sent off to boarding school to prepare him for a future throne.

No sooner had he signed the Etonian entry-book than the drought broke and the rains rescued vegetation. *The Golden Bough* would have expected no less and could have explained the previous drought by dissatisfaction and absence of harmony in the reigning dynasty.

All those fine pages about kings waiting to be killed by their successors and crops waiting to flourish with a returning prince have gained a new force after 1995.

If this deduction is correct, the prospects for 1996 look better as the signs of conflict have become evident earlier in the year and there is an excellent chance of divorce or royal rearrangement in time to guarantee some proper rain in high summer.

Meanwhile, those who do not trust in myths will have learned to hedge their bets. It does seem that we have a pattern of wet beginnings to the year, long droughts and a mild conclusion, especially in late autumn. All gardeners can learn three lessons from the change: they must mulch, reshuffle their planting and learn to love October.

The mulching should be done in late February or early March when the ground is wet and the damp can be caught in the soil.

A layer of rough, rotting humus should be applied to the surface of permanently-planted flowerbeds where it will take the edge off the first few weeks of a serious drought. After, a higher proportion of drought-loving plants will lessen the risk of a dead season.

Gardeners are in a similar predicament to investors. They need to adjust the proportion of plants for drought, just as investors are adjusting to a new proportion of holdings in emerging markets.

This year, there was never a better time for the blue spires of flower on the Afghan Sage or Perovskia. My plants derive from seed collected in Afghanistan itself and rescued August by growing and flowering in conditions which resembled their homeland.

The dried out bed of Darwell reservoir, Battle, East Sussex, this summer

All forms of Lavender were excellent, as was the Spanish Broom, or Spartium junceum which was free with the alluring scent of its yellow flowers. Mild winters and dry summers have suited all the Ceanothus, especially the dark blue flowers and evergreen leaves of excellent forms such as Edinburgh and Southmead.

At lower levels, all the pink, lilac and apricot Diascias have been excellent and anything with silver leaves or flowers like a penstemon have taken drought in their stride.

The more exotic forms of perennial Salvia are now common currency although they are not hardy: my particular winner has been the self-explanatory Indigo Spires which does not need to be watered every day of the week. I had good flowers on Hedychiums in pots, which did need constant watering, but their lush grey-green leaves and colours ranging into pale yellow make them potential stars of a sunny summer.

Whatever I plant for 1996 will include at least a third of plantings to survive a second drought.

If we are tortured again, do remember that there will be compensation in a soft, green late autumn. This year's October was miraculous, a month when the grass turned an Irish green, and all the late-flowering daisies, sedums and chrysanthemums were magnificent.

My particular winner was the clear blue Aster Little Carlow which does not catch mildew and is marvellously clear in its colouring.

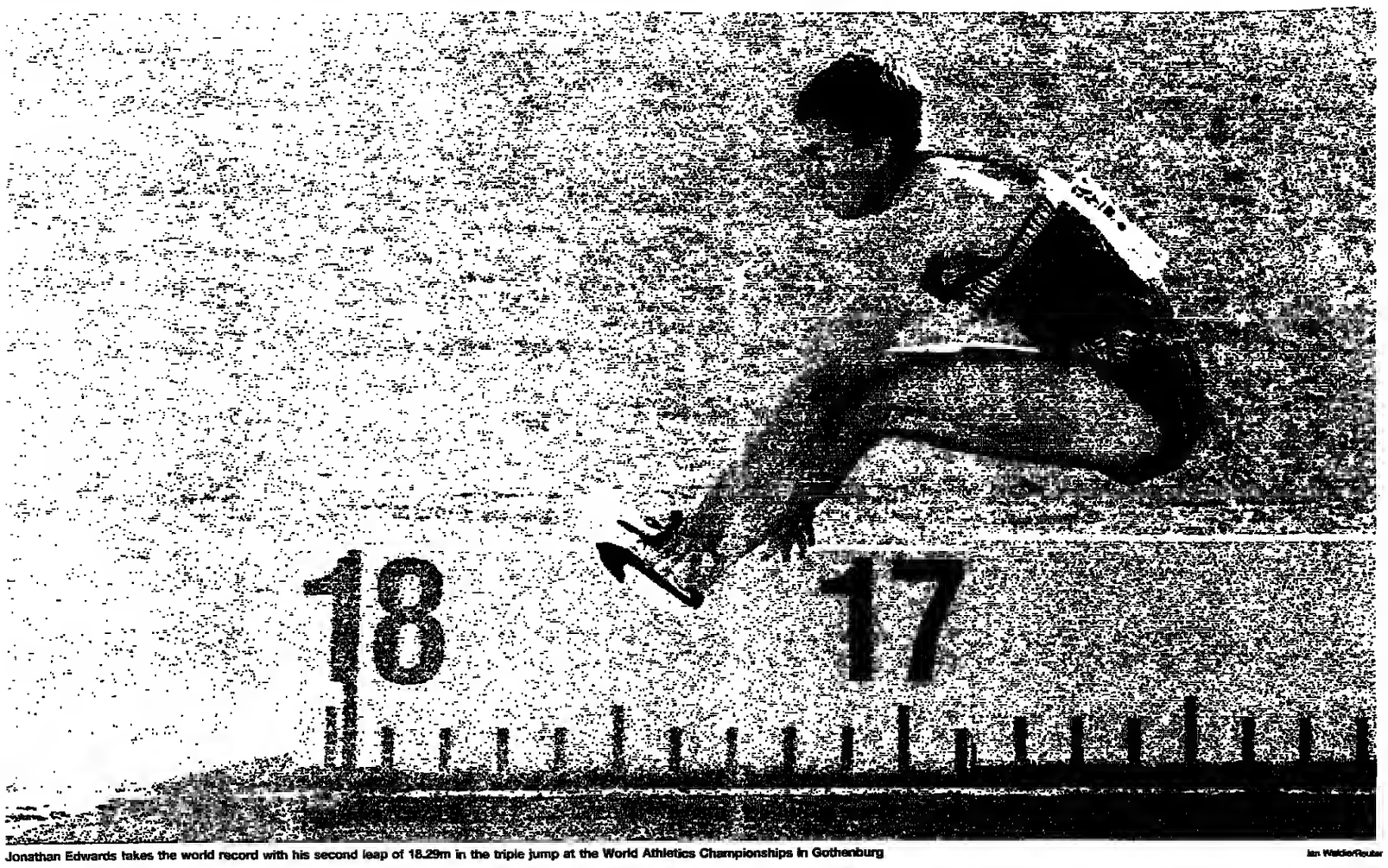
I now look on a period from mid-September until late October as the second high point of the garden, especially when the fruits on the malus and sorbus trees have coloured to set off the plain blue autumn Crocus speciosus, one of the easiest successes which most people still forget.

The new pattern may or may not be connected to the new tensions in royal circles, but it has had one decidedly pleasing result. It has made many of the endless colour books on garden planting, artistry and design seem out-of-date.

All those combinations which they recommend now flower at different times and seldom coincide. They still focus on early July as the peak of the gardening year and imply that we will all be resting in deck-chairs and admiring our old-fashioned roses.

In fact, we are plodding round with a hosepipe wherever we can get away with it and are looking at old roses which faded three weeks earlier after flopping in the heat. Just when the style experts thought they had us sorted out, the weather showed them up. If gardening was predictable its keenest enthusiasts would have given it up long ago.

SPORT



Jonathan Edwards takes the world record with his second leap of 18.29m in the triple jump at the World Athletics Championships in Gothenburg — Ian Waldie/Reuter

Magic moments from 1995

Forget the money and the politics – sport is all about those moments of individual brilliance which can transform the dullest of contests into compulsive theatre

Financial Times writers choose the incidents which have set the past year alight – thrilling them and, often, a world audieoce.

Grand Prix

John Griffiths

It was a moment lasting 30 minutes. It eclipsed even the memorable but brief wheel-to-wheel challenges between Michael Schumacher and Damon Hill in the tighter curves of Montreal and Spa-Francorchamps.

It had spectators spellbound for longer than any grand prix duel I can remember for a decade. And, with luck, it provides the signpost to a 1996 season the like of which we have not seen for years.

It came in the penultimate round of the world championship on the wet and treacherously changeable sweeps of Japan's Suzuka.

It confirmed Jean Alesi, he who has driven so loyally, so spectacularly and – with the sole exception of his inherited Montreal victory – so fruitlessly for Ferrari these past six years, as the driver with most potential to thwart Schumacher's hopes of three world titles in a row.

Ironically Schumacher, declaring to the cameras afterwards that he had the Suzuka race firmly under control throughout, was unaware of the true extent of Alesi's achievement up to the point that the race died, along with Alesi's mechanically stricken Ferrari, on lap 25.

Schumacher had led, chased by Alesi. Hill's and David Coulthard's Williams-Renaults were already relegated to the status of also-rans. Within four laps, Schumacher and Alesi were slipping and sliding in a race of their own.

On lap four, Alesi received a stop-go penalty for a marginally jumped start costing him 30 seconds and dropping him from second to ninth.

The next two laps were terrifying, Alesi slicing his way in the wet past formidable men such as Rubens Barrichello as if they did not exist. Unbelievably, on lap seven, Alesi was in the pits, gambling by changing to slicks in the hope the track would dry. He rejoined, on lap eight, in 15th place. And he became a man possessed.

On lap nine he was ninth. He spun passing a back marker and went off the track. Yet on lap 10 he was sixth. On lap 11 he was fourth.

On lap 12, in a moment of moments that left Hill humbled, Alesi left his braking impossibly late at Suzuka's chicane and drove round the outside of the hapless Englishmen as if the latter were a novice.

Alesi was into second place, and at one stage lapping seven seconds faster than the leading German.

On lap 25, Alesi's Ferrari broke a driveshaft.

As Alesi himself said afterwards, some defeats can be more triumphant than victories...

Athletics

Pat Butcher

It seemed an eternity, which, for a man dedicated to the Almighty, was appropriate. But Jonathan Edwards had the time. So did the crowd. Like fine acting, great sporting performances need an audience. And 35,000 pairs of eyes as well as the TV cyclops were fixed, waiting, on the triple jump scoreboard.

Everyone knew it was over 18 metres. The world record was 17.98m. Even the judges took their time, they knew they were dealing with a little bit of history. Edwards had been over 18m four times in early season, but the wind had been over the record limit of two metres per second. Here the wind-gauge was showing 1.3 metres per second.

He had been trying too hard recently, getting the balance wrong between the three phases of his discipline. This time, in his first jump at the World Championships, the moves had been laced together seamlessly.

In an interview the day before, Edwards named Michael Johnson, the US sprinter, as the potential "athlete of the games". But there was the normally self-possessed Johnson at trackside, transfixed, like everyone else, by the blank electronic scoreboard.

Interviewed later, Edwards said he did not like comparisons with Bob Beamon and Sebastian Coe, men who had taken their events into a different dimension, "because I'm just an ordinary bloke, those guys are legends". But he was in the process of becoming one himself. If only the judges would confirm it.

Finally, the figures flashed up, and Edwards jumped again, this time upwards, while the world record 18.16 metres flickered on the scoreboard in concert with the prolonged appreciative applause. It did not seem possible that the second act could be as good, but it was better – 18.29 metres, another world record.

Rugby

Huw Richards

A drop goal, but not Rob Andrew's. An All Black, but not Jonah Lomu.

Zinzan Brooke's 45-yard drop goal midway through the first half of the World Cup semi-final against England at Cape Town was not unprecedented from an international forward – Scotland's Peter Kininmonth famously torpedoed a much-fancied Welsh team at Murrayfield in 1951. It did not change the course of the game – that had been settled by two All Black tries, the first by Lomu at his most irresistible, in the first five minutes.

But its sheer unexpectedness epitomised the wonderful All Black contribution to the World Cup. No one expects *jeux d'esprit* from New Zealand forwards at any time, never mind in a match of such importance. But New Zealand was the one serious Cup contender to show a real sense of the possibilities of the game, to recognise that imaginative rugby could be as much a winner as stultifying, constipated pragmatism.

Neither the contrast with previous New Zealand styles nor the pointed irony that the victims of their finest performance should have been England, inheritors of their tradition of charmless efficiency, could have been much greater. And this was the psychological high-point, the moment when the journalist next to me muttered "They're taking the mickey" (or words to that effect) and it appeared that they could do absolutely anything they wanted.

It in no way detracts from South Africa's triumph – indeed accentuates it – that New Zealand were by far the best and most exciting team in the competition.

Golf

Derek Lawrenson

In orthodox circumstances, it was the most straightforward of shots. Nick Faldo had 93 yards to the flag at the 18th and that is a smooth stroke with a wedge for him. He would hope to get down in two on at least seven occasions out of 10.

This time, however, the circumstances were extraordinary. The venue was Oak Hill, Rochester, in upstate New York, and he was only too aware that, if he failed to get down in two, Europe would lose the Ryder Cup.

In other years, Faldo might have relished such a situation – but this was at the end of perhaps his most disappointing season since he turned professional. He was not having a good week, either: of the four matches he had played to that point, he had lost three, including one on the final hole.

The 18th green at Oak Hill is situated on a plateau and the flag that day was placed at the top of a ridge. The shot called for absolute precision.

If he struck it 91 yards, the ball would finish short of the ridge and roll down towards the front of the green. If he hit it 95 yards, he would have an impossible downhill putt.

Faldo took half a dozen practice swings before composing himself. By the green, most of the European team had gathered with their hands clasped in prayer. The shot looked good in the air before dropping like a stone and stopping 4ft from the flag.

Jean Alesi waves to the crowd after his Japanese grand prix ended — Pascal

He holed the putt to defeat Curtis Strange by the narrowest of margins. In that instant, the momentum of the contest shifted inexorably towards Europe.

Faldo described it as one of the top five shots he has played. It also showed conclusively that, whatever else was wrong in 1995, his nerve remains resolute. That must offer considerable solace as he plots his comeback.

Cricket

Teresa McLean

As I enjoyed last summer's cricket, I hope I can get away with choosing an enjoyable rather than important moment as my golden one. An extended moment of enjoyment, lasting a session of play rather than a single hit or an over. My excuse is that this lengthy golden moment could be said to have a touch of contemporary significance.

I am thinking of the 122-run fifth-wicket partnership by Nasser Hussain and Ronnie Irani in Essex's first innings against Gloucestershire at Cheltenham at the end of July.

Essex had not started well against a lively Gloucestershire side which scored 400, with strong, well-lubricated local support. The Hussain-Irani partnership stands out in my memory as a brave episode of fighting back, not out of trouble but out of disgrace.

Essex were all out for 244 and, though they did better in the second innings, lost the match. That gave a poignance to the tough stand, against overwhelming opposition which starred Mike Smith in top form (seven for 70).

I was impressed by Hussain's batting. His 85 did not include any sixes while Irani hit three sixes in his 54, but its sense of purpose gave it power. I am not surprised at how well Hussain has managed so far to lead the England A-team through the rigours of a tour of Pakistan.

Masterful hitting is a rare treat, all the more so when it is unexpected. Andrew Symonds peppered both his innings for Gloucestershire with huge, high-hanging sixes, received with joy by the crowd as the cavalier big hits they were meant to be. Hussain and Irani hit quieter but masterful shots as quiet men, not cavaliers. Essex's 437 in the second innings was not enough and Gloucestershire won by three wickets.

I did not mind who won. I watched as a neutral. What I enjoyed was the fight of fine stroke-play that was daring, doomed and unexpected.

Football

Simon Kuper

There you are, standing around in goal on a cold evening, when a shot comes sailing towards you. What to do? Of course: launch yourself into a headlong dive and with your heels kick the ball 40 yards away. That is how Rene Higuita must have reasoned before making his save for Colombia against England at Wembley in September.

Great moments in soccer tend to involve people doing irrational things: Pele in the 1970 World Cup, thinking he might as well try a 60-yard-lob, or Paul Gascoigne 20 years later, crying his eyes out during a World Cup semi-final. This year provided two such moments: Higuita's save, and Eric Cantona's flying karate kick over a fence at Crystal Palace fan Matthew Simmonds.

Higuita's was the moment of the year, and not just because we need to dissuade young people from teaching racists a lesson. One could quibble and say that the Colombian made his save during a friendly match, and that afterwards it turned out that the linesman had flagged for offside anyway. However, on past evidence Higuita would have cleared a blistering drive in the last minute of a World Cup final against Argentina in quite as cheery a fashion.

Recall that against Cameroon, in the 1990 World Cup, he was blithely dribbling around outside his own penalty area when Roger Milla dispossessed him. Higuita set off in hopeful pursuit. But Milla was laughing his head off well before he scored. Colombia were knocked out.

The day after he made his save at Wembley, incidentally, the English Football Association told young goalkeepers not to try it themselves.

Tennis

John Barrett

She stands there, a picture of intense concentration, leaning slightly forward and bouncing the ball in front of her...one...two...three. Her eyes narrow as she stares towards the far end of the court where Steffi Graf crouches to receive serve.

Monica Seles, having recovered from 1-3 and 2-4 in the tie-break, now leads 6-5 and needs just one more point to clinch the opening set of this 1995 US Open final. If she can pull it off and complete her victory it will be one of the most remarkable comebacks in the whole history of sport.

Since returning to competition three weeks earlier in Toronto, following a 28-month lay-off, Seles has been invincible. Two inches taller and a few pounds heavier than the svelte young athlete we remember from her record-breaking years, the 21-year-old Yugoslav-born American has lost none of her match-playing skills.

The demons that have haunted her since that fateful day in Hamburg in April 1993, when Gunther Parche, a crazed Graf fan, had plunged his knife into her back, have at last been exorcised.

This is Monica's 12th consecutive match since her return and so far no one has taken a set from her. Graf can hardly believe what is happening. After playing perfect tennis and conceding only five points in her six service games, here she is in danger of defeat.

Up goes the ball. Seles arches her back and delivers an unplayable left-handed serve that explodes down the centre line. An ace. With a squeal of delight, she skips towards the chair.

But wait. Umpire Richard Kaufman is confirming the linesperson's call of "fault", a call that few spectators heard amid the rapturous applause.

It is virtually the end of the match. Rattled, Seles drops the next three points and with them the set. In spite of winning the next six games, she tires as Graf imposes a 7-6 0-6 6-3 win to confirm her status as the No.1 player in the world. But what a different story it might have been if that serve *had* been an ace.

CHESS

At the 1956 Moscow olympiad, David Bronstein contemplated his next game over his breakfast cereal.

He mentally analysed a few moves, then thought up 1 e4 e5 2 Nf3 Nc6 3 Bc4 Nf6 4 Ng5 d5 5 exd5 Na5 6 d3 h6 7 Nf3 e4 8 dxe4!? offering a bishop.

His Norwegian opponent that afternoon, unsure whether he faced a blunder or a sacrifice, dithered into defeat and was overrun by Bronstein's central pawns.

Forty years on, a top grandmaster will never improvise like this. He will call up his opponent's lifetime games on his database, check his opening database for precedents, and only then decide whether he can realistically spring a new idea.

Bronstein, in his new book *The Sorcerer's Apprentice* (Cadogan, £14.99), regrets the loss of spontaneity. His book is a fine collection of creative games, with shrewd advice for amateurs.

That 1956 win? Bronstein thought it too hackneyed for inclusion, but his co-author insisted.

D Bronstein-E Rojahn, Two Knights Defence.

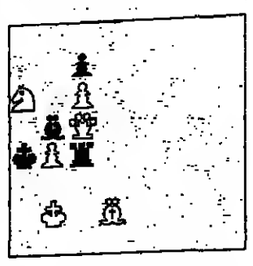
First 8 moves as above, then Nxc4 9 Qd4 Nb6 10 c4 c5 11 Qd3 Bg4 12 Nbd2 Be7 13 0-0 0-0 14 Ne5 Bh5 15 b3 Nbd7 16 Bb2 Nxe5 17 Bxe5 Nd7 18 Bc3 Bf6 19 Rae1 Bxc3 20 Qxc3 Qf6 21 e5 Qf5 22 f4 Bg6 23 Ne4 Rab8 24 Qf3 Bh7 25 g4 Qg6 25 f5 Qb6 27 Qg3 f6 28 e6 Ne5 29 h4 Kh8 30 g5 Rbc8 31 Kh1 Qd8 32 g6 Bxg6 33 fxg6 b5 34 d6 Qb6 35 d7 Nxd7 36 exd7 Rcd8 37 Nxf6 Qc6+ 38 Qg2 Resigns.

No.1107

White mates in three moves at latest, against any defence (by P.A. Orlimont).

Paradoxically this week's puzzle would be easier if Black played first, when White has trivial mates in one or two.

With White to move, you hava to find a hidden tactic.



Solution, Page II

Leonard Barden

BRIDGE

Lynn Deas of the US is probably the finest woman card player in the world.

Regard the deal set out below and see if you can make seven clubs, even at double dummy:

N
♠ Q 10 9 2
♥ A K 10 7 2
♦ –
♣ K Q 9 4

W
♠ 5 3
♥ Q J 8 6 4
♦ A K J 9 8 5
♣ –

E
♠ J 8 4
♥ 9 5 3
♦ Q 7 4
♣ J 8 7 6

S
♠ A K 7 6
♥ –
♦ 10 6 3 2
♣ A 10 5 3 2

She opened one club with the South hand. West overcalled one diamond, and repeated her diamonds at the two-level on the next round.

Against seven clubs, the diamond king was led. Declarer ruffed and cashed the club king discovering the bad news.

She continued by cashing the heart ace and king, discarding specifically a spade and a diamond. She then ruffed a heart.

Three spade tricks were cashed and the heart seven led from dummy. East had to ruff, or declarer ruffs low and cross-ruffs for 13 easy tricks.

Declarer overruffed. She ruffed a diamond and led the heart 10. Again East had to ruff. Declarer overruffed and drew the last trump. Dummy's spade 10 was her 13th trick.

This deal occurred in the world championship match USA II v India in Yokohama 1991. Lynn Deas went on to win the Venice Cup for the third time in succession.

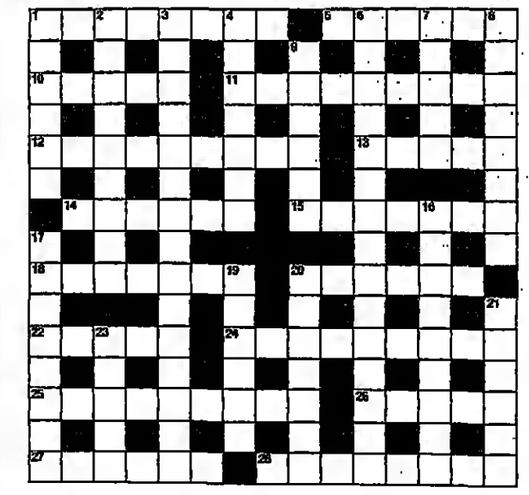
■ *The Financial Times Book of Bridge has been reprinted in paperback by Robert Hale, £6.99.*

E.P.C. Cotter

CROSSWORD

No. 8,955 Set by CINEPHILE

A prize of a classic Pelikan Souverän 800 fountain pen for the first correct solution opened and five runner-up prizes of £35 Pelikan vouchers. Solutions by Wednesday January 10, marked Crossword 8,955 on the envelope, to the Financial Times, 1 Southwark Bridge, London SE1 9HL. Solution on Saturday January 13.



Name.....

Address.....

ACROSS

1 Paradoxical parasol? (8)
5 Accounts for one with a tree (6)
10 Leaders of Malta first in its honour – wonderful! (5)
11 Punishment for the tall and strong? (9)
12 At 9.30 you had a sherry and — (Thin?) (9)
13 Fish – bass, perhaps – with a lot of paper (5)
14 Woodcutter called Tom? (5)
15 Swami of two islands? (4,3)
18 Nothing for a senior knight, everything for an apple (3,4)
20 Proposal for no rest? (6)
22 Italian river, second in row (5)
24 Italian patriot: note, an irreverent one (9)
25 One valuing technique more than content has to make a table (9)
26 A lofty instrument? We have several (5)
27 Bed for children? Rubbish (6)
28 Weight on board of marine life (8)

DOWN

1 Small boat for biblical character shortened by god (5)
2 One who keeps late hours is near to melt a king (5-4)
3 Coach for hire, to make deportment commonplace (7,8)
4 No hope of getting praised? (7)
6 He laid out grounds for play with cow and rabbit in (10,5)
7 Man in church to ring bells (5)
8 Stick in a payment for debate (8)
9 Unusual delivery – more than one could be a buoy! (6)
16 Do extra work in romantic setting (9)
17 A long word for a little food (8)
19 We hear the PG is covered by the house (6)
20 To do with marriage or (if you put it differently) with war (7)
21 Dainty little Russian aircraft with negative start (6)
23 Exploded right in the bosom (5)

Solution 8,954

Solution 8,946

WINNERS 8,946: R. Hunt, Rainford, St Helens; D. Fairburn, Kenilworth, Warwicks; K.R. Hoare, Cardiff; K.S. Holden, Sidmouth, Devon; K.B. Hubbard, Leigh on Sea; P.L. Vasil, Aberdulais, W. Glamorgan.

INTERNATIONAL ARTS GUIDE

What's on in the principal cities

■ AMSTERDAM

CONCERT
Concertgebouw Tel: 31-20-5730573
● Koninklijk Concertgebouworkest: with conductor Mstislav Rostropovich and violinist Gidon Kremer perform works by Shostakovich; 8.15pm; Jan 5

DANCE
Muziektheater Tel: 31-205518911
● Romeo en Julia: e choreography by Rudi van Dantzig to music by Prokofiev, performed by the Nationale Ballet in a special New Years Gala performance; 0.30pm; Jan 1

EXHIBITION
Amsterdams Historisch Museum Tel: 31-20-5231822
● Levende meesters: De schilderijenverzameling van C.J. Fodor (1801-1860): exhibition of all 181 paintings from the collection of Carel Fodor, e prominent man in the Amsterdam art scene. His collection includes works by 19th-century Dutch and Flemish painters such as A. Schelfhout, J.C. Schotel and B.C. Koekkoek, and works by painters of the French "School Barbizon"; to Jan 7

■ ANTWERP

CONCERT
De Vlaamse Opera Tel: 32-3-2336808
● Symfonisch Orkest van de Vlaamse Opera: with conductor Daniel Lipton and mezzo-soprano Marie-Ange Todorovitch perform works by Mozart and the Strauss family; 3pm; Jan 1

■ ATLANTA

EXHIBITION
High Museum of Art Tel: 1-404-8969284
● Sean Scully, Twenty years 1976-1995: the exhibition presents about 30 paintings from the post-war American abstract painter Sean Scully, along with about 31 watercolors related to his paintings. The exhibition is the first survey of Scully's work to tour both nationally and internationally and will also be on display in Washington, Barcelona, Dublin and Frankfurt; to Jan 7

■ BALTIMORE

CONCERT
Joseph Meyerhoff Symphony Hall Tel: 1-410-783-8000
● Shirley Jones: sings hits from Broadway and film, including "When I Fall in Love" from "Oklahoma"; 8.15pm; Jan 5, 6, 7 (3pm)

EXHIBITION
Baltimore Museum of Art Tel: 1-410-396-6310
● Celebrating Calder: exhibition on tour from, and organised by, the Whitney Museum of American Art in New York. The more than fifty works, including sculpture, jewellery, works on paper and tapestries, provide an overview of the artist's wide-ranging production over fifty years; to Jan 7

■ BERLIN

CONCERT
Deutsche Oper Berlin Tel: 49-30-3438401
● Chor und Orchester der Deutschen Oper Berlin: with conductors Stefan Soltesz and Karl Kamper perform e Christmas concert with choral songs from famous operas and operettas; 7pm; Dec 31
Komische Oper Tel: 49-30-202600
● Orchesters der Komischen Oper: with conductor Yakov Kreizberg, soprano Dagmar Schellenberger and tenor Ilya Lewinsky perform works by the Strauss family; 3pm & 7pm; Jan 1
Konzerthaus Tel: 49-30-203092100/01
● Berliner Sinfonie-Orchester: with conductor Hans Graf and violinist Michail Selder perform works by Mozart, Dvorák, Kodály, Suppé and Strauss; 9pm; Dec 31; Jan 1 (6.30pm)
● Kammersolisten Berlin: with conductor and cellist Hans-Joachim Scheitzbach, tenor Christian Voigt, violinist Konrad Other and double bass-player Jörg Lorenz perform works by Vivaldi, J.S. Bach, Beethoven, R. Schumann, Sarasate and R. Strauss; 6.30pm; Dec 31
Staatsoper Unter den Linden Tel: 49-30-2062861
● Silvester-Gala: the Staatskapelle Berlin conducted by Daniel Barenboim, with soprano Alessandra Marc, mezzo-soprano Rosemarie Lang, tenor Peter Schreier and bass Falk Struckmann perform Beethoven's "Symphony No. 9"; 8.30pm; Dec 31

EXHIBITION
Altes Museum Tel: 49-30-2662657
● Architekturmodelle der Renaissance. Die Harmonie des Bauens von Alberti bis Michelangelo: exhibition of 25 original architecture models by Renaissance architects. Also on display are architectonic drawings and treaties. Highlight of this exhibition is the monumental wooden model that Antonio da Sangallo made of the St. Peter in Rome. The exhibition was previously on display in Washington and Paris; to Jan 7
Berlinische Galerie - Martin-Gropius-Bau Tel: 49-30-6169220
● Moskau-Berlin/Berlin-Moskau 1900-1950: exhibition of the cultural developments and the mutual influence of Berlin and Moscow in art, architecture, theatre, music, literature and film. The exhibition is from March to July 1996 on display in the Pushkin Museum in Moscow; to Jan 7

OPERA & OPERETTA
Deutsche Oper Berlin Tel: 49-30-3438401
● Die Zauberflöte: by Mozart. Conducted by Stefan Soltesz and performed by the Deutsche Oper Berlin. Soloists include Reinhard Hagen, Peter Seiffert, Gerd Feldhoff and Amanda Helgrimson; 7pm; Jan 1, 12
Komische Oper Tel: 49-30-202600
● Die Fledermaus: by J. Strauss. Conducted by Yakov Kreizberg and performed by the Komische Oper. Soloists include Günter Neumann, Clemens Slowioczek and Axel Köhler; 6pm; Dec 31
Staatsoper Unter den Linden Tel: 49-30-2062861
● Aida: by Verdi. Conducted by Asher Fisch and performed by the Staatsoper Unter den Linden. Soloists include Andreas Kohn, Uta Priew, Alessandra Marc and Peter Dvorsky; 7.30pm; Jan 4, 7 (6.30pm), 13 (6pm)

■ BIRMINGHAM

CONCERT
Symphony Hall Tel: 44-121-2123333
● London Concert Orchestra: with conductor Anthony Inglis, soprano Marilyn Hill Smith, tenor Gordon Wilson and the Band of the Scots Guards in a special New Year's Eve gala concert; Dec 31
● London Concert Orchestra: conducted by James Lockhart with soprano Eileen Hulse and the Johann Strauss dancers perform works by the Strauss family; 7.30pm; Jan 1

■ BONN

OPERA & OPERETTA
Oper der Stadt Bonn Tel: 49-228-7281
● Don Giovanni: by Mozart. Conducted by Shuja Okatsu and performed by the Oper der Stadt Bonn. Soloists include Michael Volle and Karen Notare; 8pm; Jan 2, 4, 7 (7pm), 10, 13 (7pm)
● Hänsel und Gretel: by Humperdinck. Conducted by Hans-E. Zimmer and performed by the Oper der Stadt Bonn. Soloists include Alexander Poljakov, Birgit Beer and James Wood; 8pm; Jan 1

■ BOSTON

CONCERT
Boston Symphony Hall Tel: 1-617-266-1492
● Boston Symphony Orchestra: with James Conlon and violinist Joshua Bell perform works by Debussy, Prokofiev and Beethoven; 8pm; Jan 4, 5 (1.30pm), 9

■ BRUSSELS

EXHIBITION
Palais des Beaux-Arts Tel: 32-2-5078466
● De Kunst en de Mode van de jaren 50 tot op heden: exhibition on the relationship between fashion and modern art. Creations by Chanel, Dior, Gaultier and Mugler are interspersed with works by Warhol, Christo, Haring and Sherman. Five stylists developed an installation specially for the exhibition. In the autumn of 1996 this exhibition will be on display in Montreal; to Jan 7

OPERA & OPERETTA
Théâtre Royal de la Monnaie Tel: 32-2-2291200
● Il Turco in Italia: by Rossini. Conducted by Ivan Fischer and performed by the Théâtre de la Monnaie. Soloists include Rachele Stanisci, Ruxandra Donose, David Pittsinger, Barry Banks and Alberto Rinaldi. This performance is also on the occasion of the 300th birthday of the Théâtre Royal de la Monnaie; 8pm; Dec 31; Jan 3, 7 (3pm)

■ BUDAPEST

CONCERT
Magyar Allami Operaház - Hungarian State Opera House Tel: 36-1-1312550
● Die Fledermaus: by J. Strauss. Concert performance conducted by Nagy Ferenc and performed by The Orchester Oper. A special New Year's Eve gala performance; 8.30pm; Dec 31

■ CHICAGO

CONCERT
Orchestra Hall Tel: 1-312-435-6666
● Chicago Symphony Orchestra: with conductor Daniel Barenboim and violinist Maxim Vengerov perform works by Busoni, Nielsen, Sibelius and Stravinsky; 8pm; Jan 4, 5 (1.30pm), 8, 7 (3pm)

EXHIBITION
The Art Institute of Chicago Tel: 1-312-4433600
● The Prairie School: Design Vision for the Midwest: exhibition of drawings, furniture, textiles, building fragments, books, manuscripts and decorative art objects designed by architects and artisans associated with the Prairie School of Architecture. The core of the presentation consists of more than 50 original architectural drawings and fragments designed by architects as Sullivan, Wright and Griffin; to Jan 7

OPERA & OPERETTA
Civic Opera House & Civic Theatre Tel: 1-312-332-2244
● The Makropulos Affair: by Janácek. Conducted by Bruno Bartoletti and performed by the Lyric Opera of Chicago. Soloists include Catherine Malfitano, Kim Begley, Tom Fox and John Duykers; 7.30pm; Jan 3, 7 (2pm), 9, 12

■ COLOGNE

CONCERT
Kölner Philharmonie Tel: 49-221-2040820
● Carmina Burana: by Orff. Conducted by Heribert Beissel and performed by the Klassische Philharmonie Telekom Bonn and the Chor Cölnischer Chor Bonn; 3pm; Dec 31
● Neujahrskonzert: the Deutsche Kammerphilharmonie Bremen with conductor Jukka-Pekka Saraste and pianist Olli Mustonen perform works by Beethoven, Strauss and Rossini; 8pm; Jan 1
● Silvester-Nacht: cabaret performer Hanns Dieter Hüsch, soprano Melanie Holliday, oboist Hansjörg Schellenberger, pianist Joachim Hess and harpist Margit Anna Süss perform works by Bochsa, Pasculli, Lalliet, Lehár, Strauss and Kalman; 8pm; Dec 31

DANCE
Opernhaus Tel: 49-221-2218240
● Goya: a choreography by Jochen Ulrich to music by Bo SpaenC and performed by the Ensemble des Tanz-Forums Köln; 7.30pm; Jan 1

■ COPENHAGEN

CONCERT
Radio House Concert Hall Tel: 45-35 20 30 40
● Symphony No.9: by Beethoven. Performed by the Radiosymfoniorkestret conducted by Michael Schoenwandt and the Radiokoret. Soloists include Tina Kiberg, Randi Stene and Poul Elming; 8.30pm; Jan 4, 5 (7pm)
Slangerup Kirke Tel: 45-33-779696
● New Year's Mass: the university choir Lille Muko, with organist Ulla Kappel, oboist Claus Johansen and bassoonist Henrik Boeggild perform works by Thomas Kingo, Hans Brorson and N.F.S. Grundtvig. This Mass is the inaugural event of "Copenhagen Cultural Capital of Europe '96"; 0.10am; Jan 1

■ DETROIT

CONCERT
Detroit Orchestra Hall Tel: 1-313-833-3362
● Detroit Symphony Orchestra: conducted by Neeme Järvi and with violinist Alexander Mishnaevski perform works by Bartók, Tchaikovsky and R. Strauss; 10.45am; Jan 5, 8 (8.30pm), 7 (3pm)
● Detroit Symphony Orchestra: conducted by Leslie B. Dunner perform the DSO's traditional New Year's Eve Gala Concert; 9pm; Dec 31

■ DRESDEN

CONCERT
Sächsische Staatsoper Dresden Tel: 49-351-49110
● Sächsische Staatskapelle: conducted by Manfred Honeck perform works by Johann and Joseph Strauss; 6pm; Dec 31; Jan 1

OPERA & OPERETTA
Sächsische Staatsoper Dresden Tel: 49-351-49110
● Friedenstag: by R. Strauss. Conducted by Stefan Soltesz and performed by the Sächsische Staatsoper. Soloists include Hans-Joachim Ketelsen, Luana DeVol and Tom Martinsen; 7.30pm; Jan 4, 9

■ DUSSELDORF

CONCERT
Tonhalle Düsseldorf Tel: 49-211-8992081
● Düsseldorfer Symphoniker: with conductor Martin Fratz perform works by J. Strauss, Dvorák, Grieg, Parker and Tchaikovsky in a special New Year's concert; 11am; Jan 1
● Philharmonisches Orchester Satu Mare: conducted by Franz Lamprecht with tenor Alexander Stevenson perform works by J. Strauss, Ziehrer, E. Strauss, Lehár and Lanner; 4pm & 7.30pm; Jan 1

■ FRANKFURT AM MAIN

CONCERT
Städtische Bühnen - Oper, Ballett, Theater Tel: 49-69-2123744
● Scenen aus Goethe's Faust: by R. Schumann. Concert performance conducted by Sylvain Cambreling and performed by the Oper Frankfurt. Soloists include William Stone, Joanna Kozlowska and Harald Stamm; 7pm; Jan 1, 6 (8pm)

OPERA & OPERETTA
Städtische Bühnen - Oper, Ballett, Theater Tel: 49-69-2123744
● La Traviata: by Verdi. Conducted by Sylvain Cambreling and performed by the Oper Frankfurt. Soloists include Ana Felicia Filip, Ilse Gramatzki, Luca Lombardo and William Stone; 7pm; Dec 31

■ GHENT

CONCERT
De Vlaamse Opera Tel: 32-9-2230681
● Symfonisch Orkest van de Vlaamse Opera: with conductor Daniel Lipton and mezzo-soprano Marie-Ange Todorovitch perform works by Mozart and the Strauss family; 7.30pm; Dec 31

■ GOTHENBURG

DANCE
Göteborgs Operan Tel: 46-31-108000
● The Cradle Will Rock: e choreography by Robert North to music by Benstead, performed by the Gothenburg Opera Ballet; 7.30pm; Jan 4

■ HAMBURG

CONCERT
Musikhalle Tel: 49-40-346920
● Hamburger Mozart-Orchester: with conductor Robert Stehli perform works by Handel, Tchaikovsky, Dvorák, J. Strauss and Offenbach; 6pm; Dec 31
● Operetten-Gala: the Philharmonia Chor Hamburg with conductor Hugo Wolfers perform excerpts from J. Strauss' "Der Fledermaus", Offenbach's "Orpheus in der Unterwelt" and other works; 9pm; Dec 31
● Symphony No.9: by Beethoven. Performed by the Philharmonisches Staatsorchester with conductor Christof Prick and the Chor und Sonderchor der Hamburgischen Staatsoper. Soloists include Solle Isokoski, Yvi Jänicke, Johan Botha and Harald Stamm; 11am; Dec 31
● Symphony No.9: by Beethoven. Performed by the Hamburger Symphoniker with conductor Miguel Gomez-Martinez and the Symphonischer Chor Hamburg. Soloists include Hellen Kwon, Renate Springler, Peter Galliard and Franz Grundheber; 3.30pm; Dec 31; Jan 1

■ HELSINKI

DANCE
Opera House Tel: 358-0-403021
● Ballet Fireworks: gala performance by the Finnish National Ballet, accompanied by the Orchestra of the Finnish National Opera with conductor Eri Klas. The programme includes scenes from "Don Quixote", e choreography by Patrice Bart, and "Perpetuum", a choreography by Ohad Naharin, and guest performances by Marie-Claude Pietragalla, Parrish Maynard, Barbora Kohoutková and Carolyn Carlson. The leader of the Finnish National Ballet, Jorma Uotinen, stars in his own choreography "Harmaapukuinen mies"; 8pm; Dec 31

■ LEIPZIG

CONCERT
Gewandhaus zu Leipzig Tel: 49-341-12700
● Gewandhausorchester: with conductor Kurt Masur and baritone W. Holzmair perform Mahler's "Lieder eines fahrenden Gesellen" and "Symphony No.1"; 8pm; Jan 4, 5, 8

OPERA & OPERETTA
Oper Leipzig Tel: 49-341-1261261
● Zar und Zimmermann: by Lortzing. Conducted by Krüger and performed by the Oper Leipzig; 8pm; Dec 31; Jan 5 (7.30pm)

■ LONDON

CONCERT
Barbican Hall Tel: 44-171-6388891
● London Symphony Orchestra: with conductor John Georgiadis perform waltzes and polkas by the Strauss family and Carl Ziehrer; 7.30pm; Dec 31; Jan 1, 2
Queen Elizabeth Hall Tel: 44-171-9604242
● Hänsel und Gretel: by Humperdinck. Concert performance by the Palace Opera and the London Concertante, conducted by Jonathan Finney; 6.30pm; Jan 1, 2
Royal Festival Hall Tel: 44-171-9604242
● Johann Strauss Gala: the 21st edition of this annual programme of music and dance devoted to the Strauss family. With the Johann Strauss Orchestra led by conductor/violinist John Bradbury, the Johann Strauss Dancers and soprano Rosalind Sutherland; 3.15pm & 7.30pm; Dec 31
St. John's, Smith Square Tel: 44-171-2221061
● New Year's Eve Concert Party: featuring the sopranos Jennifer Smith, Jean Glennon, Diana Gilchrist and Charlotte de Rotschild, bass Jonathan Veira, violinist Elizabeth Wallfisch, the pianists David Howells, Christopher Ross and Shelley Katz, and the London Gabrieli Brass Ensemble; 8.30pm; Dec 31
St. Martin-in-the-Fields Tel: 44-171-8300089
● The Festive Orchestra of London: with conductor Martin Feinstein perform works by Vivaldi, Handel, Mozart and J.S. Bach; 7.30pm; Jan 1
Wigmore Hall Tel: 44-171-9352141
● The King's Consort: with conductor Robert King, countertenor James Bowman, oboist Katharina Spreckelsen and trumpeter Crispian Steele-Perkins perform works by Vejvanovsky, Gelst, J.C. Bach, Telemann and J.S. Bach; 7.30pm; Dec 31

THEATRE
The Pit Tel: 44-171-6388891
● Cain: A Mystery: by Byron. Directed by John Barton and performed by the Royal Shakespeare Company; 7.15pm; Jan 1, 2, 5, 6 (also 2pm), 10, 11

■ LYON

CONCERT
Auditorium Tel: 33-78 95 95 95
● Orchestre Français des Jeunes: with conductor Marek Janowski and pianist Franck Braley perform works by R. Schumann, Smetana and R. Strauss; 8.30pm; Jan 2

■ MAASTRICHT

CONCERT
Theater aan het Vrijthof Tel: 31-43-3293179
● Limburgs Symphonie Orkest: with conductor/violinist Shlomo Mintz and soprano Marjon Lambriks perform works by J. Strauss, Léhar, Stolz and others; 10.30pm; Dec 31

■ MUNICH

CONCERT
Philharmonie Im Gasteig Tel: 49-89-48098625
● Webber-Gala: programme devoted to Andrew Lloyd Webber's musicals, produced and staged by Darryl Robinson. Including songs from "Starlight Express", "The Phantom of the Opera", "Cats", "Jesus Christ Superstar", "Evita" and "Sunset Boulevard"; 8.30pm; Jan 3

OPERA & OPERETTA
Nationaltheater Tel: 49-89-21851920
● Der Rosenkavalier: by R. Strauss. Conducted by Peter Schneider and performed by the Bayerische Staatsoper. Soloists include Felicity Lott, Jan-Hendrik Rootering and Yvonne Wiedstruck; 6pm; Dec 31; Jan 3
● La Damnation de Faust: by Berlioz. Conducted by Gerd Albrecht and performed by the Bayerische Staatsoper. Soloists include Jeanne Piland, Ulrike Schneider, Vinson Cole, Alan Titus and Harry Dworchak; 8pm; Jan 1, 7, 9, 13

■ NEW YORK

CONCERT
Avery Fisher Hall Tel: 1-212-875-5030
● New York Philharmonic: with conductor Leonard Slatkin and violinist Sarah Chang perform Lalo's "Symphonie espagnole", Vaughan Williams' "Job, A Masque for Dancing" and the world premiere of Danielpour's "City Lights"; 8pm; Jan 4, 5, 8, 9 (7.30pm)

JAZZ & BLUES
Blue Note Tel: 1-212-475-8592
● New Year's Eve Celebration: featuring David Sanborn & his Group, Nancy Wilson & her Trio, and The Bob Parsons Quartet; 7pm & 1am; Dec 31

OPERA & OPERETTA
Metropolitan Opera House Tel: 1-212-362-6000
● The Makropulos Case: by Janácek (in English). Conducted by David Robertson and performed by the Metropolitan Opera. Soloists include Jessye Norman, Hakan Hagegard, Graham Clark and Donald McIntyre; 8pm; Jan 5, 8, 11

■ PARIS

CONCERT
Salle Pleyel Tel: 33-1 45 61 53 00
● Orchestre de Paris: with conductor Christoph von Dohnanyi and pianist Krystian Zimerman perform works by Schoenberg, Ravel and Stravinsky; 8.30pm; Jan 4
Théâtre du Châtelet Tel: 33-1 40 28 28 40
● Orchestre de Paris: with conductor Christoph von Dohnanyi and pianist Krystian Zimerman perform works by Schoenberg, Ravel and Stravinsky; 8pm; Jan 5

DANCE
L4Opéra de Paris Bastille Tel: 33-1 44 73 13 99
● La Bayadère: a choreography by Nureyev after Petipa to music by Minkus. Performed by the Ballet de l'Opéra National de Paris; 7.30pm; Dec 31; Jan 1, 4, 7 (3pm), 9, 10, 11, 12, 13

OPERA & OPERETTA
L4Opéra de Paris Bastille Tel: 33-1 44 73 13 99
● La Bohème: by Puccini. Conducted by Louis Langrée and performed by the Opéra National de Paris. Soloists include Roberto Aronica, LeRoy Villanueva, Carlos Feller and Cristina Gallardo-Domas; 7.30pm; Jan 3, 6

■ PITTSBURGH

CONCERT
Heinz Hall for the Performing Arts Tel: 1-412-392-4900
● Pittsburgh Symphony: with conductor/violinist Pinchas Zukerman in an all-Mozart programme, including "Violin Concerto No.3", excerpts from "Haffner Serenade" and "Violin Concerto No.5"; 8pm; Jan 5, 6, 7 (2.30pm)

■ SAN FRANCISCO

CONCERT
Louise M. Davies Symphony Hall Tel: 1-415-864-6000
● New Year's Eve Gala Concert: the San Francisco Symphony with conductor Peter Guth and soprano Dominique Labelle perform waltzes; 9pm; Dec 31

■ STOCKHOLM

DANCE
Kunglige Teatern - Royal Swedish Opera House Tel: 46-8-7914300
● The Nutcracker: a choreography by Isberg to music by Tchaikovsky, performed by the Royal Swedish Ballet; 7.30pm; Jan 2, 3 (12noon), 4, 10, 13 (6pm)

■ STRASBOURG

CONCERT
Palais de le Musique et des Congrès Tel: 33-88 37 67 67
● Orchestre Philharmonique de Strasbourg: with conductor Claude Schnitzler in a New Year's Eve programme devoted to the French and Austrian operetta; 8pm; Dec 31

■ SYDNEY

CONCERT
Sydney Opera House Tel: 61-2-250-7777
● New Year's Eve Gala: an evening of Viennese-style music and song with e front-row view of Sydney's harbour fireworks at interval; 8pm; Dec 31

■ VIENNA

CONCERT
Konzerthaus Tel: 43-1-7121211
● Symphony No.9: by Beethoven. Performed by the Wiener Symphoniker, the Wiener Singakademie and the Concentus Vocalis, conducted by Gary Bertini. Soloists include soprano Cherlotte Margiono, alto Monica Groop, tenor Jorma Silvasti end bass Kenneth Cox; 8pm; Jan 1
Musikverein Tel: 43-1-5058190
● Neujahrskonzert: The Wiener Philharmoniker conducted by Lorin Maazel perform works by the Strauss family; 11am; Jan 1

■ WASHINGTON

CONCERT
Concert Hall Tel: 1-202-467 4600
● New Year's Eve at the Kennedy Center: with members of the National Symphony Orchestra, conducted by Murry Sidlin; 9pm; Dec 31

OPERA & OPERETTA
Eisenhower Theater Tel: 1-202-476-4600
● Il Barbiere di Siviglie: by Rossini. Conducted by Heinz Fricke and Alan Nathan and performed by the Washington Opera. Soloists include baritone Michael Chioldi end mezzo-soprano Vivica Genaux; 7.30pm; Dec 31; Jan 7 (2.30pm), 12

■ ZURICH

CONCERT
Tonhalle Tel: 41-1-2063434
● Tonhalle-Orchester: with conductor Nello Santi perform works by Verdi, Rossini, Mascagni, Respighi and Paganini; 7pm; Dec 31

■ *Listing compiled and supplied by ArtBase The International Arts Database, Amsterdam, The Netherlands.*

Fireworks at Sydney Harbour, in the interval of e New Year's eve gala

Die Fledermaus, by Johann Strauss, in Berlin

James Morgan

Three ways to run a continent

One of them seems invincible, but why has it produced such an unattractive social system?

In airport hotels one does things one would never normally contemplate, and so it was that in New Ynrk I watched the whole nf the MacNeil-Lehrer Newsbour, the flagship of Public Television current affairs. Twenty minutes of earnest debate is my normal maximum but I hung on for a feature abont the breakdown of social services in Seattle.

It took us to one of those middle class ghettoes wbere the grass is a brilliant green carpet, wbere a sculpted golf course might provide cover for gun emplacements and wbere swimming ponls conceal, perhaps, a nnclear submarine. It could resist anything the underclass might throw at it. A retired oil executive explained how he had gnne tbere to escape Seattle's taxes: "People don't need to sacrifice what they've worked hard for tn accommodate a social system tbey have no interest in."

That sentence encapsulates the uniqnely American view of the right to a social opt-out: many are struggling to extend it. It is not a passing mood – the interviewee could point to his constitutional rigbt to pursue bappiness. This American model is today contrasted with the European, and the European in turn is set against the Asian, at least that of the dynamic nations of east Asia.

European collectivism is a consequence of tbe invention nf the nation state. As a result, the European state has been identified with a national community. Today's struggle to maintain the traditional welfare state is focused on the social desirability of intergenerational and inter-class transfers. These are meant to ensure cobesion, and, by inference, the survival nf a particular kind of natinnhood. So France invented "social exclusion" to describe a situation that could undermine society itself. The recent wave of strikes threw up a new term, "the republican contract", which gives expression to the typically European idea that certain groups enjoy an absolnte right to other people's money.

Meanwhile "Asian" ideas exercise increasing infinence, even though they are widely misunderstood. There has been a debate over whether such societies employ redistributive tax systems. Many on the left misinterpret the nature of the huge forced savings that underpin local investment in some countries. The national provident fund is an instrument of the state. It takes large sums from the population, but the money raised is still, in a sense, the property of those who have paid in. The state merely manages those assets on behalf of its citizens.

The parallel aspect of east Asian success is the emphasis on equity. The dynamos of the east Asia, outside Hong Kong maybe, have prospered by ensuring a high degree of income equality. And all members of society have shared in the benefits of growth.

So, though we are told only one economic system exists, it has at least three variants: American individualism, European social solidarity and Asian equality of outcomes. The dangers tbat face China are to be found in the paradox of a *socialist state* conniving at increasing domestic inequality in pursuit of growth. Its capitalist neighbours did the opposite.

The European model has been undermined by the inability of taxpayers to provide the money needed to maintain the transfers deemed necessary to sustain social cohesion: the American, by the inequalities spawned partly by those who retire from society and preserve their wealth as a result.

The Asian model seems invincible, at least until it ceases to deliver ever increasing piles of goods. That might break the magic compact which is based on the implicit promise of government: if you shut up we will ensure you get richer.

It was an American, the political philosopher John Rawls, who said that a society has a right to exist only if it has the support of its least privileged members. The Americans ignore the implicit injunction. The Europeans try to follow it but generally fail. How strange that the one region that seems to do it does not produce a more attractive social system.

■ *James Morgan is economics correspondent of the BBC World Service.*

Private View

Faith which has power to stop the killing

Christian Tyler meets Andrea Riccardi, a Catholic with a modern mission

Andrea Riccardi: 'There are not bibles in every house in Italy; it's a Catholic country!' Reuters

Anyone can make war, the professor said, especially in this post-superpnwer world. By the same token, however, anyone can make peace.

Andrea Riccardi, who teacbes cburch history at La Sapienza University in Rome, has a good excuse for his egregious nptimism. He is the founder nf a remarkahle group of *Catholic voluntary* wnrkers wbn In 1992 helped negotiate an end tn Mozambique's long and hloody civil war. For months past be has been involved in talks to end Algeria's.

In a world which has lost faith in the power of tbe individual, Riccardi and his friends are exceptions.

As freelance – they can nn longer be called amateur – diplomats, their credibility, especially amoog Moslems, derives from their religious sincerity. ("Moslems think Christians are nnly interested in drink, drugs and naked women," said noe.)

Their strength derives from weakness: they have the moral support nf the Pope and eminent cburchmen sucb as Cardinal Martini nf Milan, but they have nn mnney, nn powers and no vested interest in nutcomes.

The Community of Sant' Egidio, which is named after the fnrmer Carmelite convent in the Trastevere quarter of Rome wbere the ontfit is based, was nnminated for this year's Nobel Peace Prize. I met its founder there nne evening recently and asked: what motivated you?

In 1968, Riccardi was an 18-year-old scbool-leaver. Like young people of every age, he believed be could change the world. Rejecting as "too ideological" the Marxist and neofascist groups that proliferated in that *annus mirabilis* of political fervnur and campus revolutinn, be decided tn go his own way.

"I discovered tbe gospels," be said, speaking in Italian. "They seemed to me something I should think abnut, something that recalled the fundamentals nf life."

Discovered how? I asked. There's a bible in every house... "Not in Italy. It's a Catholic country!" Riccardi gave a buge guffaw.

You weren't religious at home?

"No, we were rather secular. So I discovered the gospels in the sense that I began to read them as if for the first time. I bad this idea that I had to change people and change myself. I felt I lived too much in a closed, juvenile and comfortable wnrld – a good scbool, a slightly stupid life; one could be chic in ideological debate. And then I discovered the other Rome."

The other Rome?

"The Rome of the poor. It was different then. I won't say it was a third world city but it had serious poverty – the shanty towns of people coming from the south."

Riccardi collected a group of fellow students like himself – mainly well-to-do, middle-class Romans (his *father was president of a bank*) – and started visiting the poor.

So this was a muscular kind of Christianity in action?

"Well, robust. We criticised students for being bourgeois, but also the clerics. We didn't like the ambience nf Catbnlic Actinn (a right-wing pressure group) nor religious cnngregations. We thought that to be Christian you should knnw about the city, the ntber Rome. Rome is the centre of Catholicism, but we felt this city wasn't very Christian because it wasn't humane – it was not a sacred city but a sick nne."

Were you left nr right-wing?

"We felt more left than the left, because the left spent too much time in discussion," Riccardi joked. "It was all about *what would Lenin have done? What was Castro planning?* They said there were no real workers in Rome, so there could never be a revolution!" He laughed uproariously again.

You were Christian fundamentalists of a kind, I suggested.

"If yon look at the story of Sant' Egidio you cannot say we are fundamentalists. On the contrary, we are very sophisticated. There is a high level of cultural discussion and we have evolved through experience.

"When one is young one is a bit fundamentalist, mnre attentive to tbe feeling than the words. Beginnings are always bot. I don't know if this is good physics or not, but heat is creative." The professor waved his arms rhetorically.

Voluntary work is something of a tradition in Italy and the label "do-gooder" is not scornfully applied there. When a tramp settles down nutside an Italian café he is mnre likely to get a coffee than a kick. Even so, the Sant' Egidians are unusual volunteers.

There are 8,000 of them in Rome, 13,000 in Italy and 2,000 in small groups in another 23 cnuntries. Some are involved in mediation: not only for Algeria, where Riccardi and his colleagues have united the opposition parties around a common democratic peace proposal, but in troublespots such as Guatemala, Burundi, the Sudan and Jerusalem. Because of his work the professor gets an armed bodyguard from the Italian authorities.

Most volunteers spend their afterwork bours visiting the elderly poor, feeding tbe bnmeless and befriending unpopular immigrants and gypsies. Each evening in Rome about 500 of them gather to pray in the convent church.

The area around the Piazza Sant' Egidio has become well known for its throngs of scrubbed belpers and their unscrubbed clients. Some residents complain that the community is taking over, while admitting that tbe streets are safer. Lorries deliver secnnd-hand clnthes fnr tramps behind the basilica of Santa Maria in Trastevere and a soup kitchen – it is mnre like a social club with a clean, bright canteen – serves bot meals from midday to 8pm.

What is the connection between working for the poor and working for peace, I asked Riccardi.

"It'a the same people wbn are involved. The solidarity here in Rome with the tramps, our Christmas lunch in the basilica of Santa Maria... The poor are at the centre, and continue to be. And war? It is the greatest of all poverties."

The community does not see itself as a movement like Opus Dei, and its relations with that conservative lay group – sometimes seen as a Catholic freemasonry – appear ambiguous. Sant' Egidio resists the idea of becoming an institution. Run by a group nf directors and a national council, it has only half a dozen paid employees.

The organisation might be described as a symptom of the waning power of institutinnalised religion. When I put this to Riccardi, he said: "Tnday the world is less believing than it was yesterday. But 'secular' doesn't mean 'without faith'. There are people who bave faith, in tbe broad sense nf the word, if not in the sense of professing a faith."

Is the clergy losing the war for people's souls?

"The story of the clergy is complicated. Perhaps they are losing the war. I don't know. But God is not losing. The interesting thing is that in this secular world I, a Christian, feel myself at ease. If I had lived in the middle ages nr Victnrian England or in the Rome of the popekings I wouldn't have felt sucb a part of things, perhaps nnt even part of the faith."

Is your faith as strong now as it was at the start?

"It'a stronger. Because at the start it was a feeling. Now it's a painfully felt conviction that surpasses doubt, the scandal nf injustice, the scandal of death."

Is It possible this conviction is a psychological trick?

"On myself?"

Yes.

"It's possible. Everything is possible for one who believes – even that it is a trick on myself. But perhaps faith is a trick God plays nn mankind, a trick invented to make people better, a beautiful trick: *divino*, not *di vino*!" He laughed, hugely pleased with his Rabelaisian pun.

Do you atill believe ynu can improve the world?

"A good question. After the beginning we felt moments of disillusion. What could one do in a little area on the edge of Rome? What does it mean to teach 15 children? That won't change the wnrld. On the other hand one can say everything is possible to him who has faith."

It sounded like the kind of cliché trotted out by nice nuns. But Riccardi believes that such things as friendship, discussion, faitb and prayer are "weak fnrces" which may move mountains when strong forces – guns and money – cannot.

So "solidarity" witb the poor leaves the poor better off; lnve for people of otber races and backgrounds dissolves the hatreds that lead to bloodshed; ecumenism creates contacts deep insida foreign cultures. Of the many factors in war, Riccardi said, religious belief was nften underestimated by professional diplomats. "I am convinced there aren't religious wars as such. But religion can be used as nil to feed the flames or as water to douse them."

He has changed his mind about people. Once harsh in his judgments, he now thinks mankind fundamentally good. "For example, I have knnwn guerrillas, cut-throats – not exactly people living in a do-gooding ambience – and there was something one could wnrk with," he said.

He tnld the story of a "very tough" Mozambican guerrilla leader wbn had come to St Egidio for the peace negotiations.

On the table lay a stack of letters and petitinns from missinnaries and parishioners pleading for an end to the war. Flipping through them, the guerrilla came across a batcb from the port of Beira. He picked up one letter and found it was from his family's parish. At the foot of the letter was the signature nf his father, whom he had not seen for 10 years.

"It was a tremendous sbock for him," Riccardi said. "Fnr another week he was tough, perhaps even more difficult. But then something changed in him. It wasn't a miracle, hut something touched him.

"So it seems to me there is a good aspect in people but It is not always easy to realise it – whether they are guerrillas, assassins, or just ignorant. So we have discovered – and it's something we say often – that in this world everyone can maka war: groups, terrorists, wboever.

"But we are discovering also that everyone can make peace."

Clive Aslet

Diana strips off to come to the aid of the party

But then, alas, the golden goddess collapses into the arms of the waiters

There was something of a sensation at the *Country Life* magazine party this Christmas.

The bash took place in a house wbere every surface is painted white. This decor, we felt, needed enlivening.

What better, given the inviting niche at the head of the staircase, than a golden statue – or rather, a person imitating a statue, wbn would give people the fright nf their lives when she moved.

I say she: we had originally thought nf a pair, male and female, but they come expensive these living statues, and the feminine principle was judged the more artistic.

For the subject, we plumped for Diana. Not Diana the ambassadress or Queen of Hearts: we have all beard enough about her lately.

No, the Diana we wanted was the goddess of hunting. She might also be the goddess of privacy, given her severe treatment of boyfriends wbn accidentally glimpsed her *au naturel* (Actaeon was devoured by his own bounds, Orion stung to death by scorpions).

I rather suspect she was the first feminist. Still, these days hunting needs all the help it can get.

It is quite a thing, getting ready to be a statue. I had had my doubts about the dress.

The only time I had seen living statues before had been on a boulevard in Barcelona, where one, who just about passed muster, presented himself as a kind of Henry the Navigator figure, dressed in puffy Tudor garments.

Occaslnnally be wnuld startle passers-by by slowly extending an arm. But the nther took the form of Charlie Chaplin – pretty silly, since one would hardly expect there to be a statue of Charlie Chaplin in Barcelona.

Naturally, if we were to have a *Diana*, she had to be classical. A bow and a skimpy tunic are the accepted accoutrements. We reconciled nurselves to the fact that partial nudity meant a 50 per cent higher fee, on account of the extra time required for spray painting exposed flesh.

Nevertheless, we were astonished by the effect. Our statue had taken the term classical to beart.

When I arrived, she was still in what might have been called ber green room – more appropriately, our chief sub-editor was to report, on delivering the cardboard bnw prepared by our art room, her gold room, filled with the fumes of a thousand aerosols.

As yet, her pedestal – a table demurely adorned with poinsettias – was bare. So pretty well, when she appeared on it, was she.

The costume she had selected comprised a lot of gold paint and some beech leaves. I was infnrmed afterwards that she did ask my deputy if the *tout ensemble* was a little – you know – not enough of it.

But be is a single man. Those who were married, however, seemed to appreciate the result just as much.

This, we kept reminding nurselves dreamily, was art. It is true that our puhlishing director rushed past lamenting that he did not know where to put his eyes.

Tim Yeo, MP, said that he knew exactly where to put his. But great art demands great suffering. Anyone who remembers the film *Goldfinger* will know that it is no joke being covered top to toe in gold paint.

Gilding the lily takes on a new meaning. Our lovely statue, overcome by the wobbles, needed frequent rests. Finally she collapsed, to be carried off in the arms of the waiters. There was more than one who cursed that fate had not made him a waiter.

Exit a goddess, soon, in our offices, to be a legend. Happily, Diana, being the acme of good taste, appealed almost as much to women as to men. "If she moves, I'll review her," announced our ballet critic, Barbara Newman.

Still, there was a general feeling that hounds and scorpions might be visited upon male admirers at any time. Why tbnugh?

Admittedly figures as diverse as Lady Hamilton and Emile Zola's Nana gave the striking of classical attitudes, while scantly attired, a bad name, hut our Diana was scarcely less decorously clad than many sunbathers during the summer.

This season, above all, gives special resonance to Blake's concept of the human form divine. Let us celebrate it.

■ *Clive Aslet is editor of Country Life.*

Peter Aspden

Curse of the final zero

I share a birthday with Linford Christie and Max Ernst, which must be why I feel like I am going backwards whenever I break into a sprint. Bnt then I have to face the solid fact, as we all do, that I am losing the battle against time.

And it is that ghastly week on the calendar again. Is there anything like the feeling of a year slipping away tn remind nne of creaking joints and ailing mental faculties?

The problem is particularly acute for those peopla who are unlucky enough to be aged 29, 39, 49, and so on. According to a new book by the "mental skills guru" Keith Ellintt, these are the ages which have the mnat traumatic effect on nur already-troubled psyches.

In a study of the way in which age affects golfers' performance, he found that it was not reaching "the *big four-0*" etc that disturbed people so much as the *anticipation* of getting there.

"Many people are psychologically adversely affected as they approach their 30th or 40th birthday," writes Elliott. "They associate their next *birthday with being* a decade older. Just think how many people you knnw who have made majnr changes during their 29th, 39th and even 49th year."

I have to say not too many cross my mind. But a whisk through the canon of western culture's supreme over-achievers is revealing. Sort of. William Shakespeare seemed to be very occupied indeed when he was 39, when the first quarto of *Hamlet* appeared. Is this the work of a man worried about life, love and mortality? Well, yes actnally.

Then there is Michelangelo's *David*, completed when the Florentine genius was just 29: at first sight a strapping, confident figure bursting with youth and beaoty, taut with latent eoergy, a triumphant symbol of the new Repuhlic. But take a close look at those anxious eyes and that furrowed forehead. Nominally, David is worried about Goliath, and so he should be. But can we read into this expression the sculptor's own reservations about his impending birthday?

> Once past a decade-busting birthday, there is no limit to what you can achieve

Mozart, on the other hand, basked in the success of his jolly *La finta giardiniera* when he was 19; Beethoven produced his less than angst-ridden First Symphony at the same age. Significant? I rather doubt it. One could play this harmless parlour game for hours without reaching any firm conclusion.

But Elliott, concentrating on spnrting figures, is clearly convinced he is on to something. He cites Kenny Dalglish, whose shock resignatinn from Liverpool occurred when he was 39 years and 265 days old (leaving aside his age when be performed a marginally less shocking managerial manoeuvre earlier this year at Blackburn Rovers).

But then comes the good news: once you are past the hurdle of a decade-busting birthday, there is no limit to what you can achieve. Elliott has found that golfers aged 30 or 40 perform "exceptionally well" in tournaments, as if the burden of all that expectatinn had been mysteriously stiffening their swings.

It is the liberation of hursting through this ultimate age barrier that gives us an extra buzz; hence life beginning at 40, 50, 60 (but don't tell The Beatles otherwise they will bring out another new song).

This is all amiable nonsense. But there are much easier ways of establishing how old you feel: for example, do you derive *any* joy whatsoever from looking at the Christmas and New Year television achedules? Were they really that much better 20 years ago? Of course not – It is you, dear jaded viewer.

Do you like going out on New Year's eve? Do utility chairmen lnok suspiciously fresh-faced to you? Do you still care about the second gunman nn the grassy knoll?

But the ultimate indicator is what I call the post test. Remember when you used to look forward to receiving your mail? Perhaps it was a gentle *billet doux* from an exotic lover, an invitation to subscribe to an earnest environmental magazine, a postcard from a beloved relative? How we looked forward to that morning plop on the doormat.

Not any more. Of every 10 letters received, fnur are demands for money, three ask explicitly if you have ever thought about being crippled for life, two concern thickening your windows and one offers three pizzas for the price of two if your age ends with a nine.

A nice enough thought, but scant consolation.

WEEKEND INVESTOR

Results due next week

Company	Sector	Announcement due	Dividend (p)* Last year Interim	Final	This year Interim
FINAL DIVIDENDS					
Throgmorton Prfd Income Tst	InTr	Wednesday	-	2.8	-
Warner Estate Holdings	Prop	Thursday	-	7.5	-
INTERIM DIVIDENDS					
Abbey	B&C	Thursday	2.1	2.15	-
Brook Holdings	EEEE	Thursday	4.1	3.8	-
Hambros Eurobond ‡‡	N/A	Tuesday	-	-	-

*Dividends are shown net pence per share and are adjusted for any intervening scrip issue. Reports and accounts are not normally available until about six weeks after the board meeting to approve preliminary results. ‡‡ 1st quarterly. ✦ 2nd quarterly. ★ 3rd quarterly

Last week's preliminary results

Company	Sector	Year to	Pre-tax profit (£000)	Earnings per share (p)	Dividends per share (p)
BBA	B&C	Jun	7,130 L (2,038)	- (12.5)	2.5 (-)
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Tribune Newspapers	N/A	Jun‡	2,376 L (1,980 L)	- (-)	- (-)

Last week's interim results

Company	Sector	Year to	Pre-tax profit (£000)	Earnings per share (p)	Interim dividends per share (p)
BBB Design	Med	Oct	£ (85 L)	- (-)	- (-)
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Stanelco	N/A	Aug	95 L (47 L)	- (-)	- (-)

(Figures in parentheses are for the corresponding period.) *Dividends are shown net pence per share, except where otherwise indicated. L=Loss. † Net asset value per share. ‡ Irish punts and pence. ‡‡ 3-month figures. ♦ US dollars and cents. ● Previous year end figure. §§ Net asset value. ♥ Pro forma results versus pro forma forecast. ◆ 9-month figures versus 12-month figures. ✦ 10-month figures. ★ 14-week figures.

Current takeover bids and mergers

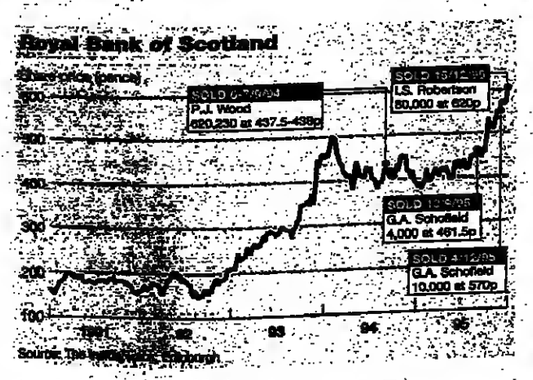
Company	Value of bid per share*	Sector	Price before bid	Value of bid per share*	Bidder
AMEC♦	100*	B&C	96	375.00	Kvaerner
Aspley	260*	Cons	127	200.25	Prince Jebri
Aron Energy♦	77.7	Oil	75	203.00	Repsol
Country Casuals	140*	Ret	130½	28.90	Clro
Dobson Park †	130*	Chem	113	203.80	Hemlepleiaeur
Eastern †	875*	Brew	700	2600.00	Heineken
Farry Stokerline	195*	Eng	168	26.13	Wace
Fige Decor†	172*	Ret	175	21.50	IntWallcoverings
Forte	328	Leis	276	3.28bn	Granada
Hobson	31*	Ind	26	121.00	Hillsdown
Memolite	27*	Chem	40	1.55	Northern Arts
Midwaug Estates	95	Prop	80	42.80	TRI
NORWEB †	1105	Util	975	1723.00	North West Water
Northumbrian Water	1170p*	Util	1174	822.94	Lyonnaise
Parkfield	158	Ind	97	31.20	Melrose Energy
Polar†	438	Ind	378	34.88	Abacus
SEEBOARD	592*	Util	526	531	1558.29	Central & S.West
Spectrum†	10.54	Ind	9	10	10.50	Memler Swain
South Wales Ely	840*	Util	697	1108	872.00	Welsh Water
TSB	262½ §	Bank	395	260	13.60bn	Lloyds
Taunton Cider†	237	Food	260	217½	271.00	Matthew Clark
Uniheld	740	Ind	650	410	152.00	HUNET Tech
Vistec	17½	Ind	22½	14	22.00	Lynx

Prices pence unless indicated. *All cash offer. §For capital not already held. ‡ Unconditional. **Based on lastdime prices 29/12/95 §§Shares and cash. ¶Value of bid per share includes 68.3p special dividend. ‡‡Value of bid includes 14p special dividend.

Directors' share transactions in their own companies

Company	Sector	Shares	Value (£000)	Price (p)	Notifications
SALES					
British Biotech	Pharm	80,000	972	1 ♦	
Capital	Stor	920,000	1,131	2	
Coats	RetG	5,000	77	1	
Darby Group	HGod	500,000	863	2	
Grand Metropolitan	SHAC	4,444	28	1	
Groupe Chez Gerard	L&H	850,000	1,378	2	
Hartstone	Hsh	75,000	66	2	
Holding Pentecost	Text	2,600	30	1	
Man E.D. & F.	FBPr	5,180,000	7,883	4	
Mea	RetG	50,000	232	1	
Perpetual	OthF	500,000	8,000	1	
Pilkels	Text	74,000	41	1	
PowerGen	Elec	4,000	30	1	
RM	Nwsp	200,000	786	1	
Royal Bank of Scotland	Bnks	120,000	722	2	
Telspan	EEEE	5,000	10	1	
Wates City of London	Prop	1,400,000	803	2	
Young Brothers	Brew	8,500	38	1	
Central Radio	Mdia	138,000	728	1	
Brandon	BCon	24,000	84	1	
PURCHASES					
Bioproducts	Misc	10,000	44	1	
Bredstock Group	Inst	50,000	35	3	
British Biotech Gr	Phm	50,000	[illegible]	[illegible]	
Burmah Castrol	Oil	2,200	20	1	
Calgary	Pharm	6,000	35	1	
Coalgen	Div	50,816	125	1	
Glaxo Wellcome	Pharm	3,000	27	1	
Grampian	Hsh	74,500	95	5	
Hartstone Group	Text	1,100,000	110	2	
Kalamazoo Computer Group	SSer	55,000	58	2	
Lloyd Thompson	Insu	300,000	480	3	
London Insurance	Insu	20,000	51	1	
Lyne Holdings	SSer	30,000	20	1	
Man E.D. & F. Group	FBPr	90,000	44	2	
Metro Int. Hldgs	Text	100,000	19	1	
Photobition	PPaP	30,000	91	1	
Primetals	Mdia	200,000	40	1	
Quavis Mgmt	OthF	25,000	45	1	
Rank Organisation	L&H	10,000	43	1	
Tolaini Lloyd	Eng	34,000	48	1	
Vardon	L&H	20,000	20	2	
Vitaire Group	OtE	700,000	78	3	
Vodafone Group	Tele	100,000	202	1	
Watson	PPaP	25,000	25	2	
Wilson Bowden	BCon	31,250	50	1	
Yorkshire Elec	Elec	4,500	30	2	

Companies must notify the Stock Exchange within five working days of a share transaction by a director. This list contains all transactions (listed and USM), including exercise of options (*) if 100% subsequently sold, with a value over £10,000. Information released by the Stock Exchange December 18-22 1995. Shares traded are ordinary. ♦ = Warrants. Source: The Inside Track, Edinburgh. 0131-539 7070



Source: The Inside Track, Edinburgh

Directors' dealings

Martyn Arbib, chairman of Perpetual, sold 500,000 shares at £18 each – and still holds more than 6.8m, *writes Ian Forrest of The Inside Track*. There was also selling at the Royal Bank of Scotland, despite market rumours that there might be a bid in the near future.

☐ John McGrath, who becomes Grand Metropolitan's chief executive in March, seems to have taken the opportunity of the recent share price rise to realise some profit.

☐ At Hartstone, directors continued to buy considerable chunks of stock; after last year's performance, though, one must conclude that hope springs eternal.

CGT indexation allowances: November

The table shows capital gains tax indexation allowances for assets sold in November. Multiply the original cost of the asset by the figure for the month in which you bought it. Subtract the result from the proceeds of your sale: the balance will be your taxable gain. It is not possible to use indexation to create, or increase, a loss. Suppose you bought shares for £6,000 in November 1985 and sold them in November 1995 for £13,000. Multiplying the original cost by the November 1985 figure of 1.562 gives a total of £9,372. Subtracting that from £13,000 gives a capital gain of £3,628, which is within the CGT allowance of £6,000. If selling shares bought before April 6 1982, you should use the March 1982 figure. The RPI in November 1995 was 146.0.

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1995	1.028	1.020	1.016	1.006	1.001	1.000	1.005	1.000	1.000	1.000	-	-
1994	1.060	1.054	1.051	1.039	1.035	1.035	1.040	1.035	1.033	1.032	1.031	1.028
1993	1.085	1.079	1.075	1.065	1.062	1.062	1.065	1.060	1.056	1.058	1.058	1.056
1992	1.105	1.099	1.096	1.079	1.075	1.075	1.079	1.076	1.075	1.071	1.072	1.076
1991	1.151	1.144	1.140	1.125	1.122	1.117	1.120	1.117	1.113	1.109	1.105	1.104
1990	1.254	1.246	1.234	1.197	1.187	1.182	1.181	1.189	1.159	1.150	1.152	1.153
1989	1.350	1.340	1.334	1.311	1.303	1.298	1.297	1.294	1.285	1.275	1.264	1.261
1988	1.450	1.445	1.439	1.416	1.411	1.405	1.404	1.398	1.382	1.368	1.362	1.358
1987	1.498	1.492	1.489	1.472	1.470	1.470	1.472	1.467	1.463	1.456	1.449	1.450
1986	1.558	1.551	1.549	1.534	1.531	1.532	1.536	1.531	1.524	1.522	1.509	1.504
1985	1.642	1.629	1.614	1.581	1.573	1.570	1.573	1.569	1.570	1.567	1.562	1.560
1984	1.725	1.718	1.712	1.690	1.684	1.679	1.681	1.686	1.682	1.652	1.647	1.646
1983	1.813	1.806	1.802	1.777	1.770	1.766	1.756	1.748	1.741	1.735	1.728	1.724
1982	-	-	1.886	1.848	1.835	1.830	1.830	1.829	1.830	1.821	1.812	1.816

Source: Inland Revenue

Permanent interest-bearing shares

These are the closest you can get to holding ordinary shares in a building society. They are fixed interest securities with no redemption date – so your capital cannot be guaranteed. You can realise your investment only by selling them on the open market – with the chance of capital gain or loss. They provide a relatively high yield, as the table shows. This is partly because a building society is theoretically not obliged to pay out if doing so would drive it into loss. Also, the market is relatively small and the shares are not always easy to buy and sell.

Stock	Coupon (gross %)	Issue price (£)	Minimum (£)	Price* (£)	Yield (gross %)
Birmingham Midshires	9.375	100.185	1,000	101.2204	9.262
Bradford & Bingley	11.625	100.129	10,000	122.8722	9.446
Bradford & Bingley	13	100.2	10,000	138.9094	9.474
Bristol & West	13.375	100.398	1,000	140.9598	9.488
Britannia	13	100.423	1,000	138.9609	9.469
Coventry	12.125	100.749	1,000	128.9640	9.527
First National	11.75	100.247	10,000	117.5932	9.983
Halifax	8.75	100.615	50,000	95.2219	9.198
Halifax	12	100.28	50,000	128.4664	9.121
Halifax	13.625	100	50,000	146.7974	9.281
Leeds & Holbeck	13.375	100.227	1,000	140.9598	9.494
Newcastle	10.75	100.317	1,000	116.9657	9.178
Newcastle	12.625	100.446	1,000	137.7095	9.146
Northern Rock	12.625	100.135	1,000	138.7100	9.217
Skipton	12.675	100.476	1,000	138.7107	9.304

*Purchase price at midday December 27 1995 excluding accrued interest.
Source: ABN Amro Hoare Govett

Top annuity rates

An annuity provides a guaranteed income for life in return for a lump sum investment. The bulk of the fund built up by many types of pension plan must be used in this way. This week's table shows **COMPULSORY PURCHASE ANNUITY RATES** which are used for small company schemes and additional voluntary contribution plans (AVCs) and freestanding AVCs (FSAVCs) among others. This week's rates include inflation-proofing.

Escalating at 5% pa		Escalating at 5% pa	
Male age 55	Annuity (-1.04%)*	Female age 50	Annuity (-4.74%)*
Stalwart: Smoke	£6,424.00	Prudential	£4,799.92
RNPFN	£5,953.80	RNPFN	£4,776.72
Prudential	£5,885.04	NPI	£4,877.95
Escalating at 5% pa		**Escalating at 5% pa**	
Male age 60	Annuity (-0.92%)*	Female age 60	Annuity (-1.04%)*
Stalwart: Smoke	£7,417.00	Stalwart: Smoke	£6,251.00
RNPFN	£6,881.16	RNPFN	£6,044.88
Prudential	£6,750.80	Prudential	£5,882.12
Escalating at 3% pa		**Escalating at 3% pa**	
Male age 70	Annuity (-0.61%)	Female age 70	Annuity (-0.70%*)
Stalwart: Smoke	£11,877.00	Stalwart: Smoke	£9,936.00
Canada Life	£11,287.28	RNPFN	£9,847.44
RNPFN	£11,242.56	Canada Life	£9,408.96
JOINT LIFE - 100% SPOUSE'S BENEFIT			
Escalating at 5% pa		**Escalating at 5% pa**	
Male age 60		Male age 65	
Female age 57	Annuity (-7.34%)*	Female age 63	Annuity (-1.83%)*
RNPFN	£5,112.96	RNPFN	£5,898.36
Prudential	£5,088.00	Prudential	£5,782.44
Stalwart: Smoke	£5,079.00	Stalwart: Smoke	£5,775.00

*Month's movement. Payments monthly in arrears, without guarantee period. Rates at Dec 20 1995. Figures assume annuity purchase price of £100,000 and shown gross. RNPFN annuities available only to nurses and allied workers. Stalwart Smokers Annuities available only to smokers.
Source: Annuity Bureau: 0171-620 4080.

Bids

The £3.3bn bid battle between Forte and Granada is set to heat up next week, *writes David Blackwell*.

Forte, the UK's largest hotels group, will issue its final defence document on Tuesday. Meanwhile Granada, the television, catering and leisure group headed by Gerry Robinson, is planning a campaign to remind Forte shareholders of the reasoning behind the bid.

This week, Forte appeared to move ahead in the battle for the first time after reaching agreement to sell its roadside businesses to Whitbread, the brewing and leisure group, for £1.05bn.

The deal, which is conditional on the failure of the Granada bid, could be completed late in February, at the earliest. Under it, Whitbread gets the Little Chef and Happy Eater roadside restaurant chains, the Welcome Break motorway service areas and the Travelodge budget hotels.

Chairman Sir Rocco Forte looked relaxed and confident when announcing the sale. He said it would enable his group to concentrate its investment on the four main hotel brands at the beginning of an upturn in the hotel business cycle.

Granada said the disposal of the roadside businesses was a mistake, and, in any case, they had been undersold. Charles Allen, the chief executive-designate, added that the synergies between the hotel and catering divisions would be lost, reducing the value of both.

Whitbread said the acquisition would fit well with its existing businesses but chief executive Peter Jarvis was philosophical about the deal falling through if Granada won.

"I should be disappointed, but it would not be the first time – and we would keep trying for suitable acquisitions," he said.

Gilt issues – best value v tax status

Your capital gain on a gilt – a UK government bond – is tax free. However, you pay tax on the interest. Therefore, gilts which deliver a higher proportion of their total return as capital gain are more tax efficient, and – other things being equal – more attractive to higher rate taxpayers.

NON-TAXPAYERS		Stock	Price	Yield %	Volatility %
CONVENTIONAL	<5yr	Treasury 13%, 2000	123 23/32	8.83%	3.56%
	5-10yr	Conversion 9.5%, 2005	113 13/32	7.46%	6.23%
	10-15yr	Treasury 8.25%, 2015	87 11/32	7.56%	9.10%
	>15yr	Treasury 8.75%, 2017	116 9/16	7.73%	9.82%
INDEX-LINKED		Index-Linked 2.5%, 2016	151 1/16	6.76%* 3.63%§	15.12%
		Index-Linked 2.5%, 2020	145 1/16	6.77%* 3.64%§	16.78%
20% TAXPAYERS		**Stock**	**Price**	**Yield %**	**Volatility %**
CONVENTIONAL	<5yr	Treasury 6%, 1999	97 29/32	5.44%	3.11%
	5-10yr	Treasury 8.75%, 2004	95 11/16	6.03%	5.49%
	10-15yr	Treasury 8.25%, 2015	87 11/32	6.32%	8.16%
	>15yr	Treasury 8%, 2013	102 29/32	6.13%	9.32%
INDEX-LINKED		Index-Linked 2%, 2006	103 7/16	6.23%* 3.11%§	9.16%
		Index-Linked 2.5%, 2020	145 1/16	6.20%* 3.06%§	16.78%
40% TAXPAYERS		**Stock**	**Price**	**Yield %**	**Volatility %**
CONVENTIONAL	<5yr	Treasury 6%, 1999	97 29/32	4.23%	3.11%
	5-10yr	Treasury 8.75% 2004	95 11/16	4.65%	5.49%
	10-15yr	Treasury 8.25%, 2015	87 11/32	4.96%	8.16%
	>15yr	Treasury 8%, 2013	102 29/32	4.58%	9.32%
INDEX-LINKED		Index-Linked 2%, 2006	103 7/16	5.79%* 2.57%§	9.16%
		Index-Linked 2.5%, 2016	151 1/16	5.63%* 2.52%§	15.12%

Yield is redemption yield and takes account of any change in the capital value over period to maturity. Volatility is a measure of the sensitivity of the stock price to changes in yield. *Money yield (current inflation assumed). § Real yield.
Source: BZW.

In the Pink

Making money the Warren Buffett way

John Train examines the key principles of a master investor who just loves the money game

John Train is chairman of Montrose Advisers, investment managers in New York

Warren Buffett, chairman of US insurance and investment company Berkshire Hathaway, remains one of the financial world's most articulate investment thinkers. Here is a collection of some of his key principles.

☐ **Market volatility does not equal risk.** For a serious investor, volatility creates opportunity. Business risk, on the contrary, really does create investment risk. To use my own language, investment opportunity consists of the difference between the reality and the perception: high volatility increases that difference and, thus, increases opportunity for the knowledgeable investor.

True investors should think of share prices the way a housewife thinks of food: if you expect to go on buying, then you should welcome low prices, which mean you receive a higher income or more asset value for your investment. And remember: low prices occur in a pessimistic environment.

☐ **Don't count on turnarounds.** A skilled surgeon can correct a local tumour but resuscitating a decrepit patient requires much more than that – perhaps a magician. The princess hopes that, when she kisses the toad, there will spring up a beautiful prince. In fact, she will probably end up awash with toads.

In the corporate world, you thereupon announce a huge "restructuring" charge. Obviously, though, there are extraordinary exceptions, such as Hanson and White, or indeed (par excellence) J.P. Morgan.

☐ **Growth and value.** Buffet observes that "value" includes projected growth. But he does not buy technology companies or very high growth in general. Rather, he looks for bargains in companies that are going to grow reasonably.

A better statement of the growth versus value dichotomy is "high growth" versus bargain hunting. The analytical techniques and temperaments appropriate to the two approaches are different, as Buffet himself used to point out.

> One correct investment decision is as valuable as another. It does not improve matters to make many decisions – quite the contrary. The key is to be right when you do decide.

Indeed, high technology, emerging markets, leveraged buy-outs, real estate and other approaches might as well not exist for him. He follows the correct approach of every investor: stick to what you know best.

Your advantage will be the extent to which your knowledge of a valid situation exceeds the market's. But many approaches are equally valid.

☐ **For a tax-paying investor, long-term growth is far more attractive than buying one bargain after another.** If a prodigiously skilful bargain hunter invests $1,000 and buys and sells every year for 20 years, doubling his money each time, he will (depending on his tax rate) have made roughly $35,000, of which he keeps roughly $22,000 after tax.

If, however, he makes a single investment that compounds at 100 per cent rate every year for 20 years, then he will have $1m before tax.

Assuming the same tax rate as previously, if he then sells, he is left with about $700,000, a far more satisfactory outcome than the $22,000 result of the annual buy-sell strategy. (Obviously, this is an extreme example).

☐ **Cash-generating businesses that can reinvest that cash at high rates of return over long periods are particularly attractive holdings.** Rather grim are low-profit businesses that call periodically for more cash from their investors which they can invest at only modest rate of return.

☐ **Business school is not the best preparation for an investing career.** Investing is about buying an interest in companies. To do that, you should live in the world of companies, not of higher mathematics.

You should offer to work on any reasonable terms for the corporate leader you most admire, and thus be instructed and inspired.

☐ **Investment theories obfuscate realities.** How many witch doctors could survive by offering the best advice that a witch doctor could give, notably: "Take two aspirins?" Similarly, most of what you need to know about the stock market is contained in the injunction: "Buy a share of stock as though you were buying the whole company."

☐ **A grave corporate heresy is offering your own underpriced stock for the fully valued stock of an acquisition candidate.** In that scenario, instead of paying 50p for £1 of value, you are paying £1 for 50p of value.

☐ **Berkshire Hathaway is in the reinsurance business. In that particular activity, you can increase or reduce your commitment as seems appropriate.** In practice, most corporate insurance companies cannot. Insurance is a commodity business so, when rates rise, new capacity surges into the market, bringing returns down. (Logically, Names at Lloyd's should increase their premium limits when returns start up from a low base, and cut them drastically as returns start to fall again – but they rarely do.)

☐ **It makes little difference how broad your knowledge is.** One correct investment decision is as valuable as another; it does not improve matters to make many decisions – quite the contrary. The key is to be right when you do decide, not to buzz around spreading yourself too thin. As Talleyrand said: *"Surtout pas de zele."*

☐ **Don't sell a great stock just because it has doubled.** It could be better value afterwards than it was before. The greatest stocks may go up a hundred times in two generations.

Peter Lynch, who built up Fidelity's Magellan fund, points out that the deluded strategy of selling when the stock rises is like pulling out the flowers in the garden and watering the weeds. Be slow to sell.

☐ **Avoid long-term bonds.**

☐ **To do superlatively well, a company manager must be a fanatic.** Similarly, by fanatical concentration, Buffet has moved billions of dollars from other people's pockets into his own. Surprisingly, though, he has no plans to spend it. He just loves the game.

Weekend Investor

Wall Street

US election year – but does it matter?

Maggie Urry talks to forecasters about their hopes – and fears – for 1996

What will the new year bring, this column asked last week. After last year's experience, forecasters are a little more wary of making predictions.

A year ago only the most bullish strategists were expecting the Dow Jones Industrial Average to exceed 4,000 by the year end – and it finished the year comfortably above 5,000.

Similarly, expectations for the yield on the US 30-year Treasury bond were wide of the mark. The most optimistic analysts thought the yield could drop to 7¼ per cent, and on Thursday the yield held below 6 per cent for the first time since late 1993.

One event is certain, though. Soon the boo-ha of a presidential election will begin, with the whole process of candidate selection through caucuses, primaries and conventions, followed by the voting in early November.

Stock market historians say that the market generally rises in a presidential election year. The chart shows that theory has held true in each of the last five presidential elections years, although in 1984 it was a close run.

However, those same historians point out that the third year of a presidential term usually sees a greater rise in the stock market than the fourth. So on that basis, we can expect stocks to go up in 1996, but not as much as in 1995.

The theory is that an incumbent president will try to boost the economy to gain popularity and ensure re-election.

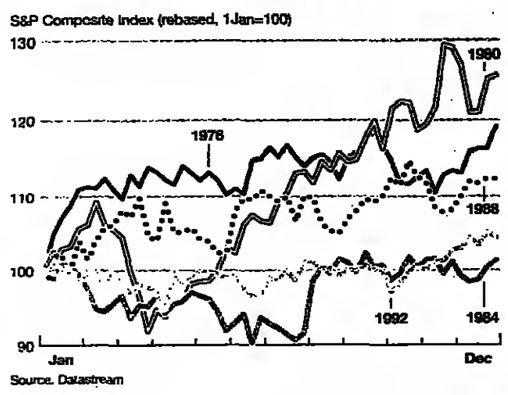
But as Jeffrey Applegate, chief investment strategist at Lehman Brothers, points out, "that assumes the incumbent is in control of things" and he suggests President Clinton is not.

For a start, the Federal Reserve's control of interest rates is independent of the politicians. And then, this president does not control Congress. This is why the budget for the financial year, which began three months ago, has still not been agreed.

Applegate suggests that the election is not the most important factor for 1996, and that it does not matter much who wins since there is not a lot of difference between Bill Clinton and Bob Dole, his most likely rival.

He offers another history lesson to encourage investors, though. The US economy is enjoying a remarkably long business cycle. The economic recovery which began in spring 1991 is continuing.

US stocks in presidential election years



Source: Datastream

The rise in interest rates in 1994, when the Fed moved to dampen activity, was accompanied by a fall in bonds and stocks. In 1995 the reverse happened, with the Fed beginning to ease and the markets rallying. Applegate says the same thing happened in previous long business cycles, following market falls in 1987, 1984, 1966 and 1962.

In the year following those falls, the markets boomed, he says. The next year again the markets rose, but more modestly. That too suggests that 1996 will be an up year, though not a great year.

The key variable, he says, is what the Fed does. And, he thinks, the indications are that it will continue to reduce interest rates through 1996. He is on the bullish side, forecasting a decline in the target rate to 4¼ per cent from the 5¼ per cent rate set by the Fed 10 days ago.

Certainly the economy has been on the soft side recently, although few fear that a recession is looming. The level of Christmas sales has been a big disappointment to retailers.

Applegate is forecasting a 14 per cent total return from equities in 1996, including dividends, with the S&P500 index rising to around 690.

Eric Miller, chief investment officer at Donaldson, Lufkin & Jenrette, is less specific in his predictions although he agrees that "big up years are normally followed by modest gains".

He agrees that there is room for interest rates to fall, but an opposing force on the market will be a slowing of earnings growth. After three years when corporate profits have exceeded analysts' forecasts, 1996 will bring disappointments.

The market should be assisted by continuing strong inflows of cash, such as money moving into mutual funds, and by a high level of merger and acquisition activity.

If 1996 is going to be a year of more modest gains for the market, it will also be one when it will be harder to pick winning sectors and stocks.

Miller favours defensive, non-cyclical stocks such as financials, healthcare and consumer non-durables. Lower interest rates and slow economic growth would favour these sectors, although the market has already begun to recognise that. He does not expect technology stocks to resume their leadership of the market, after the recent shakeout.

Applegate also likes healthcare and some consumer stocks, although he still avoids retailers. Their poor Christmas showing follows three dull years, he says, but even so their shares are still too high.

By next Christmas, perhaps, the retailers will have sorted themselves out, there will be a new president in the White House and the Dow will have added another 1,000 points. But do not bank on it.

Dow Jones Ind Average

Monday	market closed	
Tuesday	5,110.26	+ 12.29
Wednesday	5,105.92	– 4.34
Thursday	5,095.80	– 10.12
Friday		

London

Dance to the interest rate tune

Philip Coggan looks back on 1995 and finds it was a year of contrasts

The three most important factors in determining how stock markets move are interest rates, interest rates and interest rates. Or, at least, that is the inevitable conclusion from examining the investment history of 1995.

At the start of the year, it seemed likely that US and UK rates were bound to rise further in response to the very fast rates of economic growth – close to 4 per cent in 1994. Early February duly saw interest rate rises of half a percentage point in both countries.

But that proved to be the peak of the interest rate cycle for the time being. The US managed to cut rates twice, and the UK once, by the end of the year. And although the UK's quarter of a percentage point rate cut might not seem like much, it means that British interest rates have been 7 per cent or below for three years, a feat unmatched in the 1980s.

Economic growth slowed sharply during the year and, in the UK, it looks unlikely that gross domestic product will match the Treasury's forecast – made as recently as the November Budget – of 2.75 per cent. Inflation surged briefly, with the headline rate hitting 3.9 per cent in September, but it has dropped back and the pressure from raw materials prices seems to be subsiding.

All this allowed bonds to recover in 1995 after their terrible year before. In the US, the yield on the 30-year Treasury bond, close to 8 per cent at the start of the year, was near to 6 per cent by the end.

In the UK, the yield on the 10-year gilt, which started the year at 8.8 per cent, had dropped to 7.4 per cent by Thursday night.

Falling short term and long term rates set a positive tone for equities. The FT-SE 100 index gained more than 600 points, or 20.3 per cent, on the year, setting several records in the process.

Rather than simply looking at the progress of the index, an alternative approach to the year is to study the graph below which shows the 10-day average of advancing, divided by declining, stocks. When the average is above 1, most shares are rising; when it is below, most are falling.

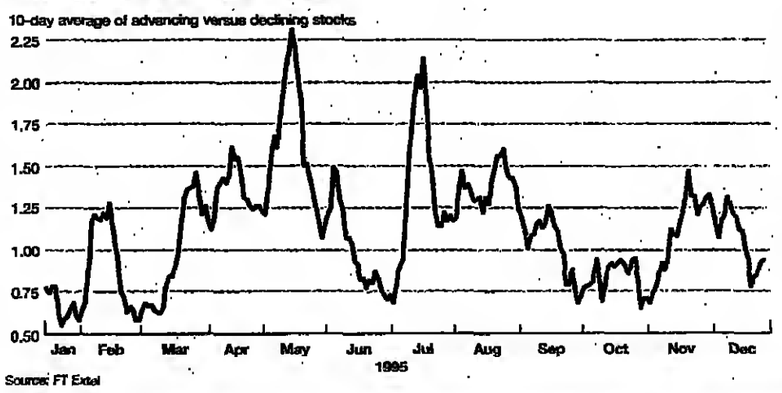
The graph shows there were two clear periods of strength during the year, from March to June and from July to September (the brief interruption was caused by the Conservative party's leadership campaign).

In contrast, the first three months of the year saw the FT-SE 100 index trapped within a narrow range of 2,950-3,150, and the past three months have seen the leading index bounce around between 3,500 and 3,700.

The significant phase of the year, then, came in the late spring and summer as investors began to realise that UK interest rates might not rise again. This became especially apparent once it was revealed that chancellor Kenneth Clarke had vetoed a request from Eddie George, the governor of the Bank of England, for a rate rise in May.

The US and UK reached the peak of the interest rate cycle in February.

The ups and downs of 1995



Source: FT Extel

A good UK results season also helped; companies were reporting results which reflected the strong economic growth in 1994, with exporters doing particularly well in the light of a weak pound and a reviving world economy.

Wall Street was one spur, with the Dow Jones Industrial Average leaving 4,000 well behind as it became clear that the rise in US interest rates was over, and then sailing past 5,000 later in the year. And bid activity gave the market a further lift with the Glaxo-Wellcome deal, a wave of takeovers of regional electricity companies, and the purchase of well-known City names such as S.G. Warburg and Kleinwort Benson.

So, what of 1996? Short term UK interest rates look likely to fall further, and shares seem sure to rise. This certainly looks plausible. After all, much of 1995's gains served merely to cancel out 1994's losses. Over the two-year period, Footsie has risen by only 7.9 per cent.

Shares do not look ridiculously expensive in terms of profits. The historic price-earnings ratio on the FT-A Non Financials index is around 16.6 – compared with a 10-year average of 15.1 – and further earnings growth is expected in 1996. Compared with bond yields, shares also look reasonably priced, with the yield ratio around 2.04. A ratio below 2 normally is regarded as making shares look cheap while, before the 1987 crash, the ratio climbed above 3.

Another bullish sign is the Coppock indicator, which gave a buy signal at the end of April. This is based on the theory that markets take around 11 to 14 months to recover from a shock; once they have, it represents a safe time to buy. So far, the indicator has worked well; Footsie was just 3,216.7 when the buy signal was given. According to chartist Brian Marber, there was an average gain of 30 per cent over the 14 months after previous Coppock buy signals, giving Footsie a target of 4,181.

But there are also danger signs. The yield on the All-Share index is around 3.8 per cent; in the past, investors have not done well when they have bought the market on a yield lower than 4 per cent. And while interest rates are important, perhaps the effect of a decline has been discounted already by the market.

In the 10 previous periods when interest rates have been falling over the past 18 years, the All-Share index has risen by an average 22 per cent (measured from the date of the last rise to the date of the last cut). Shares have risen by 19.2 per cent already during the present phase, indicating that investors may have seen the bulk of their profits.

Perhaps the most likely outturn is that the market will rise in the first few months, with interest rates the spur, but then run into trouble later in the year as investors start to contemplate the election, or perhaps a return of inflation. So often, though, the most expected outturn fails to come true.

How shares have moved

	Price on Dec. 29	% change on year	1995 High	1995 Low		Price on Dec. 29	% change on year	1995 High	1995 Low
FT Ord Index	2690.1	+13.9	2690.1	2236.3	GEC	355	+29.1	359	269
ASDA	110½	+63.7	112	64½	Glaxo Wellcome	915	+38.2	917	587
Allied Domecq	525	-2.8	566	476½	Grand Met	464	+14.0	467	352
BICC	278	-23.1	364	239	Guinness	474	+5.3	536	404
BOC	901	+28.0	923½	689	Hanson	192½	-16.6	243½	180½
BP	539	+26.7	547	392	ICI	763	+1.9	849½	660
BT	354	-6.2	415½	340½	Lucas Inds.	181	-11.3	212	163
BTR	329	+12.1	348	291	Marks & Spencer	450	-13.1	457	371
Blue Circle Indy	342½	+21.5	342½	255	NatWest Bank	649	+28.3	697	454
Boots	586	+16.3	596	465	P & O	476	-22.0	637	456
British Airways	486	+30.5	484	348	Reuters	590	+26.2	631	404
British Gas	254	-19.1	317½	222½	Royal Insce	382	+36.9	426	251
Cadbury Schw.	532	+28.5*	557*	370*	SmKl. Beecham A	710	+55.6	714	444
Courtaulds	407	-11.9	489½	352	Tate & Lyle	472	+11.6	479	412
Forte	330½	+37.7	356	224½	Thorn EMI	1517	+46.6	1614	997
GKN	779	+32.5	830	543	FT-SE 100	3689.3	+20.3	3689.3	2954.2

The table shows the percentage movement in the FT 30-share index and its constituents during 1995. The FT-SE 100 index is also shown. *Adjusted for capital change.

Barry Riley

The party's not quite over yet

But make the most of early market strength in 1996

Inevitably, there are parallels to be drawn this new year with the beginning of 1994, when the stock and bond markets also had been booming. But, two years ago, a destabilising rise loomed in US short-term interest rates. This time, rates are on the way *down* in most major economies. So, although many markets are looking high, the trigger for a decline is not likely to be squeezed until later in the year, or perhaps not even until 1997.

I shall focus mainly on the prospects for the UK equity market which, in the past 12 months, has been pulled up by Wall Street's apron strings but has not attained the same lofty valuation basis, indeed, since the All-Share index reached its former bull market peak 23 months ago (only 2 per cent below its present level), underlying earnings per share have grown by about 30 per cent and dividends by 20 per cent. All the same, it is worth noting that rarely has the UK equity market made money in a year which it began yielding under 4 per cent.

The carrot for 1996, however, must be the prospect of a new acceleration of economic growth (and, therefore, profits growth) at a time of low inflation. The Christmas turkeys have met their fate but, in the new year, it will be the economy's turn to be put on a fattening diet.

The recent Budget included a significant loosening of fiscal policy, which will be reinforced if public spending overshoots, as seems likely; and broad monetary growth is being allowed to push unhindered through the top of its so-called "monitoring range".

This switch to expansion is a familiar feature of the electoral cycle, but it is associated with political risks will weigh heavily on the UK market next year. The market has, almost certainly, not discounted fully the risk that the government will be forced to go to the country in, say, June or October, although spring 1997 still looks like the best bet. And equities are vulnerable to the Labour party's pro-capital spending and anti-dividend tax policies, together with a negative approach to the wave of takeovers (which, anyway, is probably now past its cyclical peak).

Ironically, gilt-edged probably have less to fear from a Labour government as such. A new administration would be restricted severely by the markets and constrained by its ambition to meet the Maastricht debt criteria. But Labour would start from a fairly weak position. The government is planning to sell more than £30bn of gilts next year. If the global bull market in bonds continues, all will be well; but purely domestic demand is barely adequate to absorb gilts on the required scale. A sharp jump in yields on a failed monthly auction is an accident just waiting to happen in 1996, perhaps more than once.

There is, therefore, comfort in the way that global liquidity has been surging –

> The Christmas turkeys have met their fate. Now it's the economy's turn to be fattened

but will it continue? Quite possibly so, because the Bank of Japan has a long way to go before it has reflated the national economy. The US Federal Reserve, after all, held rates low for well over a year before it eventually tightened in February 1994. If the BoJ *succeeds* in triggering significant growth soon in Japan, however, all bets are off: the liquidity flows that are being transmitted to the booming US securities markets will be blocked. That is how the next crash will happen, but perhaps not until 1997.

At any rate, the bullish trends on Wall Street remain intact. In the US, too, economic expansion will remain a priority in an election year. Short-term interest rates are edging down and flows into equities (from mutual fund sales, for example) remain strong. Fundamental values have long since ceased to determine share prices, so the growth-hungry bulls may continue to rampage for a while. But "rotations" between sectors have become more pronounced as profits are taken and new themes promoted, and this recycling of liquidity into other assets and other markets could become the main theme of 1996.

Already, the Japanese market, up 37 per cent in the second half of 1995, has been a major beneficiary of this search for parallel opportunities. Elsewhere, the emerging-market bulls are desperate that some of this recycled US liquidity will surge into south-east Asia. But it depends on how quickly American investors can get over the savage mauling they suffered in Mexico a year ago.

As the global liquidity measures turn upwards, it is worth asking whether gold also will be a winner in 1996 when money spills out of the securities markets, where it has been largely trapped so far. A rising gold price would be a logical consequence of the loose monetary policies being followed around the globe (apart from those countries in continental Europe linked to the Franco-German accord). But the bullion price itself remains trapped by the enormous forward positions established in the market.

Back in the UK, any pre-election economic revival could lead to stirrings among the neglected sectors of the stock market. Anything to do with utilities, or property and construction, has missed the 1995 bull market entirely and certain cyclical sectors, such as chemicals and packaging, also have been shunned.

In 1996, the utilities may continue to have political problems, but the construction sectors should benefit from lower interest rates and just might anticipate a Labour-sponsored investment boom. Smaller companies should benefit particularly from any revival of the domestic economy.

Such an acceleration, however, would put downwards pressure on sterling, and interest rates could begin to rise again by the second half of the year. It is tempting to conclude that the stock market will go higher in the first half-year but will fall thereafter; experience warns me, however, that changes in sentiment happen sooner rather than later. Make the most of early strength in 1996 while it lasts.

Offshore managed funds and **UK managed funds** are listed in Section One

FT MANAGED FUNDS SERVICE

● FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (+44 171) 873 4378 for more details.

AUTHORISED UNIT TRUSTS

Barlow Fund Managers Ltd (1200)H

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Brittania Fund Managers Ltd (1000)F

Commercial Union Fin'l Mngt Int'l Ltd - Contd.

Consolidated Unit Trst Mngt Co Ltd (1200)F

Henry Cooke Investment Funds Ltd (1400)F

Credit Suisse Inv Funds (UK) Ltd (1200)F

Discretionary Unit Fund Mngrs (1000)F

Duncan Lawrie Unit Management Ltd (0800)F

Dunedin Unit Tst Mngrs Ltd (1200)F

Eastern Fund Managers Ltd (1000)F

Family Investment Mngmt Ltd (1000)F

Eagle Star Unit Mngrs Ltd (1000)F

Edinburgh Unit Tst Mngrs Ltd (1400)H

Fleming Unit Mngt Ltd - Contd.

Friends Provident Unit Trusts (1000)F

Gartmore Fund Managers (1200)F

Endeavour Fund Management Ltd (0800)F

Equitable Unit Trust Managers Ltd (1000)F

Fleming Private Fund Mngt Ltd (1200)F

Foreign & Colonial Unit Mngt (1200)F

Foster & Braithwaite Fd Mngt Ltd (1100)F

Framlington Unit Mngt Ltd - Contd.

HSBC Unit Trust Management Ltd (1200)F

Halifax Unit Trust Management Ltd (1400)F

Henderson Touche Remnant UTM (1200)F

Hargreaves Lansdown Fd Mngrs Ltd (1000)F

Lloyds Sk Unit Tst Mngrs Ltd (1000)F

Matheson Unit Trusts Ltd (1000)H

Mayflower Mngmnt Company Ltd (1200)F

Mercury Fund Managers Ltd (1000)H

Metropolitan Unit Trust Mngrs Ltd (1000)F

Midland Unit Trust Management Ltd (1200)F

NMF Unit Trust Management Ltd (1200)F

NFU Mutual Unit Mngrs Ltd (1400)F

NPI Investment Managers (1400)H

Morgan Grenfell Invest Fds Ltd - Contd.

Murray Johnstone IT Mngmt (1000)H

National Australia Trust Mgt Co Ltd (1000)F

National Westminster UT Mngrs (1200)F

Newton Fund Mngrs Ltd (1200)F

Norwich Union Tst Managers (1200)F

Objective Unit Trust Management Ltd (1000)F

Abbey National Unit Trust Managers Ltd (1200)F

Abbey Unit Trust Managers (1000)H

Aberforth Unit Trust Managers Ltd (1630)F

Abtrust Unit Trust Managers Ltd (1200)H

AXA Equity & Law Unit Tst Mngrs (1200)H

Allchurches Inv Mgmt Servs Ltd (1200)F

Allied Dunbar Unit Tsts PLC (1000)F

Baring Unit Mngrs Ltd (1000)F

Cazenove Unit Trust Mngrs Ltd (1200)F

City Financial Unit Trust Mngrs Ltd (1000)F

CIS Unit Managers Ltd (1000)F

Capel-Cure Myers UT Mngt Ltd (1200)F

Chase Unit Trust Managers Ltd (1000)F

Clerical Medical Unit Tst Mngrs (1200)F

Colonial Unit Tst Mngrs Ltd (1200)F

Commercial Union Fin'l Mngt Int'l Ltd (1200)F

Dunbar Unit Tst Mngrs Ltd (1000)F

Eagle Star Unit Mngrs Ltd (1000)F

Eastern Unit Trust Managers Ltd (1000)F

Equitable Life Unit Trust Mngrs (1000)F

Fleming Unit Mngrs Ltd (1000)F

Fleming Unit Mngt Ltd (1200)F

Fleming Select Fund

Fleming Private Fund Mngt Ltd (1200)F

Foreign & Colonial Unit Mngt (1200)F

Family Investment Mngmt Ltd (1000)F

Fidelity Investment Serv Ltd (1200)F

Foster & Braithwaite Fd Mngt Ltd (1100)F

Framlington Unit Mngt Ltd (1200)F

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Gravett (Jaba) Unit Mgmt Ltd (1000)F

Guardian Unit Mngrs Ltd (1000)F

Guardian Unit Trust Mngrs Ltd (1200)F

Guardian Flight Unit Tst Mngrs Ltd (1200)F

HSBC Unit Trust Management Ltd (1200)F

Halifax Unit Trust Management Ltd (1400)F

Hill Samuel Unit Tst Mngrs (1200)F

Gen Unit Trust Management Ltd (1400)F

Henderson Fund Managers (1200)F

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Lloyds Bank Unit Tst Mngrs Ltd (1000)F

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M & G Securities (0815)H

Marks & Spencer Unit Trust Ltd (1400)F

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Lazard Unit Tst Mngrs Ltd (1200)F

Legal & General (U.T. Mngrs) Ltd (1200)F

Lincoln National (1200)F

MGM Unit Trust Managers Ltd (1000)F

Mallon Unit Trust Managers Ltd (1400)F

Marks & Spencer Unit Trust Ltd (1400)F

Millennium Fund Management Ltd (1000)F

Morgan Grenfell Invest Fds Ltd (1200)F

Murray Johnstone IT Mngmt (1000)H

National Westminster UT Mngrs (1200)F

Newton Fund Mngrs Ltd (1200)F

Norwich Union Tst Managers (1200)F

Objective Unit Trust Management Ltd (1000)F

Guide to pricing of Authorised Unit Trusts

Compiled with the assistance of AUTIF §§

INITIAL CHARGE: Charge made by a unit trust manager, used to defray marketing and administration costs, including brokerage paid to intermediaries. This charge is included in the buying price of units.

BUYING PRICE: Also called offer price. The price at which units are bought by investors.

SELLING PRICE: Also called bid price. The price at which units are sold back by investors.

TREATMENT OF MANAGER'S PERIODIC CHARGE: The letter C denotes that the trust deducts all or part of the manager's periodic charge from capital, against the manager for full details of the effect of this course of action.

EXIT CHARGE: The letter E denotes that an exit charge may be payable when you sell units, contact the manager for full details.

TIME: The time shown alongside the fund name/s comes in the time of the unit trust's valuation point expressed as Greenwich Mean Time as indicated by the symbol alongside the individual unit trust fund. The symbols are as follows: (V) - 0001 to 1100 hours; (●) - 1101 to 1400 hours; (■) - 1401 to 1700 hours; (▲) - 1701 to midnight. Daily dealing prices are set on the basis of the valuation point, a short period of time may elapse before prices become available.

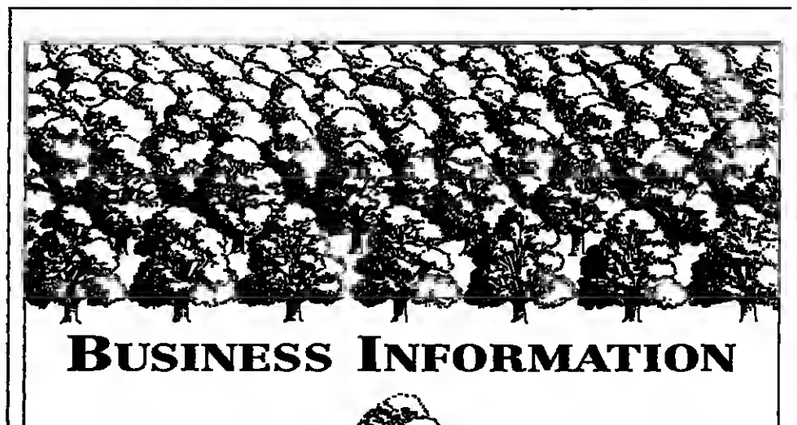
HISTORIC PRICING: The letter H denotes that the managers will normally deal on the price set on the most recent valuation. The prices shown are the latest available before publication and may not be the current dealing levels because of no intervening periodic revaluation or a switch to a forward pricing basis. The managers must deal at a forward price on request, and may move to forward pricing at any time.

FORWARD PRICING: The letter F denotes that the managers deal at the price to be set on the next valuation. Investors can be given no definite price in advance of the purchase or sale being carried out. The prices appearing in the newspaper are the most recent provided by the managers.

SCHEME PARTICULARS AND REPORTS: The most recent report and scheme particulars can be obtained free of charge from fund managers.

Other explanatory notes are contained in the last column of the FT Managed Funds Service.

§§ Association of Unit Trusts and Investment Funds, 65 Kingsway, London, WC2B 6TD. Tel: 0171-831-0848.



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Old Mutual Fund Managers Ltd (1200)H

2 Bartley Way, Hook, Hants RG27 9XA 01256 768888

	Init Chrge	Notes	Selling Price	Buying Price	+ or -	Yield Gr's
Emerging Asia Acc.	5½		208.76	227.00	-1.80	0.14
Emerging Asia Inc.	5½		207.90xd	228.10	+1.80	0.14
European Acc	5½		273.60	293.80	+1.30	0.42
European Inc.	5½		258.50	277.00	+1.20	0.42
Hong Kong Acc	5½		178.80	191.90	+1.90	1.55
Hong Kong Inc.	5½		153.00	165.00	+1.60	1.56
Intl Mngd PEP Acc	5½		73.52	78.91	-0.36	1.30
Intl Mngd PEP Inc	5½		62.71	72.87	+0.32	1.29
Japan Acc	5½		112.60	120.10	-	0.00
Japan Inc.	5½		112.30	118.08	+0.10	0.00
Latin American Comp Acc.	5½		57.44	62.18	-0.34	0.30
Latin American Comp Inc.	5½		57.44	62.18	-0.34	0.30
New Zealand Acc.	5½		104.00	112.40	+0.60	1.00
New Zealand Inc.	5½		96.94	103.58	+0.58	1.00
Nth American Acc.	5½		125.70	133.90	-0.10	0.32
Nth American Inc.	5½		110.90	126.20	-0.10	0.32
Swiss Equities Acc.	5½		87.94	93.62	+0.29	0.11
Swiss Equities Inc.	5½		86.90	92.60	+0.29	0.11
Thailand Acc.	5½		168.00	183.58	+1.80	1.25
Thailand Inc.	5½		164.10xd	179.30	+1.30	1.25
UK All Share Mirror Acc	5½		71.11	76.23	+0.09	2.42
UK All Share Mirror Inc.	5½		69.53	71.31	+0.09	2.42
UK Money Mkt Acc	0		75.09	75.09	+0.10	6.41
UK Money Mkt Inc.	0		50.30xd	50.30	-	6.41
Worldwide Acc	5½		182.30	195.50	+0.80	0.38
Worldwide Inc.	5½		170.70	183.10	+0.80	0.38
W'wide Bond Acc	5½		95.17	100.80	+0.40	4.81
W'wide Bond Inc	5½		67.79	71.78	+0.27	4.81
Broker Unit Trusts						
AAM Global Equity	6		55.88	59.23	-	2.12
Aston Income & Growth Acc.	3¼	C	53.48	56.00	+0.15	2.98
Aston Income & Growth Inc	3¼	C	52.48xd	54.95	+0.11	2.98
BWG UK A'nd Securities Acc	5¼		52.08	55.40	-0.12	0.00
BWG UK A'nd Securities Inc	5¼		52.02	55.34	-0.11	0.00
Berkeley Income Acc	5¼	C	122.30	130.10	+0.40	4.21
Berkeley Income	5¼	C	118.70xd	126.30	+0.59	4.21
Berkeley Intl Growth	5¼		127.50xd	135.60	+0.30	0.00
CAM British Grwth Acc	5¼		114.10	122.10	+0.20	0.00
CAM British Grwth Inc	5¼		102.40	108.50	+0.10	0.00
Christows Trustees	5¼		85.46	91.40	+0.12	0.00
Christows Portfolio	5¼		76.49	81.01	+0.04	0.08
Christows Opportunities	5¼		68.17	72.91	-0.06	0.08
Coverdale Sec Tst Acc	5¼		114.30	124.80	+0.10	0.00
Coverdale Sec Tst Inc	5¼		114.30	124.09	+0.10	0.00
Coverdale Topout	5¼		52.39	56.86	+0.05	0.00
Fitzwilm Multi-Mgr	½		108.50	108.20	-	0.00
Hartley Growth	5¼		98.91	100.10	-0.20	0.00
IPS Portfolio Acc	0		90.19	96.40	+0.11	0.00
IPS Portfolio Inc	0		89.25	88.40	+0.11	0.00
Intl Growth Acc	6		93.69	100.20	+0.18	1.02
Intl Growth Inc	0		89.37	95.50	+0.13	1.02
International Strat	5¼		78.38	84.51	-1.55	0.00
Lowes Inc Growth	5¼		53.76	58.62	-0.10	0.00
Marsh Global Growth	5¼		67.61	71.00	+0.19	0.00
Roxborough Strategic Gth	5		76.20	81.90	+0.10	0.40
Roxborough Strategic Yield Acc	6		72.42	77.45	-0.15	1.74
Roxborough Strategic Yield Inc	5		76.40	75.39	-0.13	1.74
Sawdile Balanced Portfolio Acc	5¼		109.10	115.10	-0.30	1.34
Sawdile Balanced Portfolio Inc	5¼		100.50	114.90	-0.30	1.34
Sawdile Growth Portfolio Acc	5¼		108.80	114.98	+0.20	0.49
Sawdile Growth Portfolio Inc	5¼		108.10	114.10	+0.20	0.49
Select Strategy Acc	5¼		108.80	115.60	-1.80	0.00
Select Strategy Inc	5¼		108.80	115.60	-1.80	0.00
Sloter Growth	5¼		119.00	127.60	-1.30	0.08
Temple Equity Acc	6		55.31	60.12	+0.13	2.28
Temple Equity Inc.	6		45.50	49.45	+0.09	2.28
UFC Index-Active Growth	5¼		60.34	64.53	+0.19	0.00
YRA Capital Growth Acc	5¼		104.08	110.30	-0.28	0.00
YRA Capital Growth Inc	5¼		104.80xd	110.30	+0.20	0.00

PDFM Unit Managers Ltd (1400)F

14 Finsbury Square, London EC2A 1PD 0171-628 6070

	Init Chrge	Notes	Selling Price	Buying Price	+ or -	Yield Gr's
UK Equity Exempt Dec 29	¼		150.97	161.76	+0.10	3.89
Do Accum	¼		158.94	169.81	+0.10	3.83
Overseas Eqty Exmt Dec 29	¼		205.68	208.10	+1.36	1.00

Partners Unit Trust Management Ltd

Admin: 5 Rayleigh Road, Hutton, Brentwood, Essex

Enquiries 01277 227300 Dealing 01277 261010

	Init Chrge	Notes	Selling Price	Buying Price	+ or -	Yield Gr's
Partners Inc	0		124.36	136.42	-	0.00
Partners Acc	0		125.05	137.13	-	0.00

Pearl Unit Trusts Ltd (1000)F

Lynch Wood, Peterborough PE2 6FY 01733 470470

	Init Chrge	Notes	Selling Price	Buying Price	+ or -	Yield Gr's
Equity	6		262.8xd	279.5	-	2.54
(Accum Units)	0		567.9	604.1	+0.10	2.54
Growth	5		172.0	181.0	+0.20	2.79
(Accum Units)	5		317.8	334.5	-0.40	2.79

Royal Bank of Scotland UT Mgmt Ltd (1200)F

Capital House 2, Festival Square, Edinburgh EH3 9SU

Investor Helpline 0800 718749 Compliant Helpline 0800 387636

Dealing: 0800 833581

Royal Life Fd Mgmt Ltd (1000)F

PO Box 34, Peterborough PE2 0UE. Prices 01733 282828

General Enq 01733 390000 Dealing 01733 283000

Royal London Unit Tst Mgrs Ltd (2200)F

Royal Lon Hse, Colchester CO1 1RA

St James's Place UT Group Ltd (1200)F

PO Box 14963, Craigforth, Stirling FK9 4ZE

Sanwa Intl Invest Services Ltd (1000)F

City Place Hse, 55 Basinghall St, EC2V 5DU

Save & Prosper Group (1200)H

16-22 Western Rd, Romford RM1 3LB

Sharp (Albert E.) (1000)F

Admin: 5 Rayleigh Rd Hutton, Brentwood Essex

Enquiries: 01277 227300 Dealing: 01277 261010

Singer & Friedlander UT Mgmt Ltd (1000)F

Whittingdale Unit Tst Mgmt Ltd (0830)F

72 Leadenhall Market, London EC3V 1LR 0171-623 2444

Woolwich Unit Trust Managers Ltd (1700)H

1 White Oak Square, Swanley BR8 7AG 0181-298 4000

INSURANCES

AIG Life

22 Addiscombe Road, Croydon CR9 5AZ 0181-680 7172

AXA Equity & Law Life Assce

Amersham Road, High Wycombe 01494 463463

Britannia

50 Bothwell Street, Glasgow G2 6HR 0141-248 2300

Crown Financial Management

Dukes Court, Woking GU21 5XA 01483 770072

Eagle Star Life Assurance Co Ltd

Montpellier Drive, Cheltenham GL53 7LQ 01242 221 311

General Accident

2 Rougier Street, York YO1 1HR 01904 628982

OTHER UK UNIT TRUSTS

PROPERTY UNIT TRUSTS

مكتبة الأمل

FT MANAGED FUNDS SERVICE

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Lancashire & Yorkshire Assce Society
Moorgate Hall, Moorgate Rd, Rotherham 01709 829101

	Selling Price	Buying Price	+ or -	Yield Gross
Capital Growth	265.96	272.41	—	-
Balanced Portfolio	204.03	208.10	—	-
Unit Builder	133.35	136.07	—	-
Investor	169.84	173.30	—	-
Capital Builder	20.66	21.22	—	-

Laurentian Life plc
Barnwood, Gloucester GL4 7RZ 01452 371371

Legal & General

M & G Life and M & G Pensions - Contd.

MGM Assurance (z)
MGM House, Heene Rd, Worthing 01903 204631

Manchester Unity Assurance
40 Fountain Street, Manchester M2 2AB 0161-832 9361

Norwich Union Life Insurance Soc. - Contd.

Prudential Individual Life Funds
35 King's Road, Reading, RG1 3AH 01734 601601

Scottish Amicable - Contd.

Scottish Widows' Group
PO Box 902, Edinburgh EH16 5BU 0131-655 6000

Swiss Life - Contd.

TSB Life Ltd
Charlton Pl, Andover, Hants. SP10 1RE 01264 345678

Scottish Mutual Assurance plc

	Selling Price	Buying Price	+ or -	Yield Gross
Safety Fund	257.0	271.8	+0.10	-
Growth Fund	259.1	273.0	+0.40	-
Opportunity Fund	259.7	273.4	+0.50	-
Worldwide Venture Fund	201.2	211.8	+0.60	-
UK Equity Fund	278.1	292.8	+0.20	-
UK Smaller Cos Fund	268.4	282.6	+0.50	-
European Fund	383.3	403.5	+0.90	-
Far Eastern Fund	364.8	384.0	+3.20	-
Japanese Fund	140.8	148.3	+0.20	-
North American Fund	277.4	292.0	+0.60	-
International Fund	314.3	330.9	+1.20	-
Gilt & Fxd Int Fund	220.8	232.6	-0.20	-
Index-Linked Fund	193.3	203.5	+0.20	-
Property Fund	129.9	136.8	-1.20	-
Cash Fund	101.3	101.1	+0.10	-

Royal Heritage Life Assurance Ltd - Contd.

	Selling Price	Buying Price	+ or -	Yield Gross
Britain	432.1	454.3		-
European	310.8	327.1		-
Frontier Markets	160.5	168.9		-
Global Bond	120.2	134.9		-
Gold Intl Resources	87.4	91.9		-
High Inc	316.1	331.0		-
Hong Kong	449.5	473.1		-
Income	487	512.6		-
Japan	445.8	469.3		-
UK Smlr Cos.	390.3	410.8		-

Scottish Mutual Assurance plc - Contd.
Pension Funds

	Selling Price	Buying Price	+ or -	Yield Gross
Managed Dec 22	286.8	301.7	—	-
Safety Fund	312.8	329.8	+0.30	-
Growth Fund	286.8	301.7	+0.50	-
Opportunity Fund	297.8	313.6	+0.70	-
Worldwide Venture Fund	217.2	228.7	+0.60	-
UK Equity Fund	285.5	300.6	+0.30	-
UK Smaller Cos Fund	248.8	259.8	+0.70	-
European Fund	362.5	381.8	+1.30	-
Far East Fund	423.8	445.8	+0.50	-
Japanese Fund	136.5	143.7	+0.40	-

Swiss Life - Contd.

	Selling Price	Buying Price	+ or -	Yield Gross
UK Managed	182.1	191.7	-0.3	-
International	182.4	192.0	+0.8	-
Swiss	307.1	323.3	+0.9	-
UK Equity	192.5	202.7	-0.4	-
UK Gilt & Fixed Int	158.8	164.9	-0.2	-
Security	145.1	152.7	—	-
Guaranteed Deposit	134.6	141.7	—	-
Pens UK Balanced	114.2	120.3	-0.1	-
Pens International	108.5	114.0	+0.4	-
Pens Swiss	150.8	158.8	+0.5	-
Pens UK Equity	117.4	123.5	+0.3	-
Pens UK Gilts & Fixed Interest	104.7	110.3	-0.1	-
Pens Security	105.1	110.6	—	-

MANAGEMENT SERVICES

Capital Trust Financial Management
8-10 Brook St, Coleraine Co. Londonderry 01265 58500

	Selling Price	Buying Price	+ or -	Yield Gross
Investment Portfolio	225.3	237.2	—	-
Executive Pension	192.2	202.3	—	-
Managed Growth	130.5	137.1	—	-

DBS Financial Management PLC
Independence Hse, Holly Bk Rd, Huddersfield 01484 422224
The Personal Portfolio (Series 2)

	Selling Price	Buying Price	+ or -	Yield Gross
Adventurous	108.7	114.4	+0.1	-
Balanced	105.6	111.1	+0.8	-
Cautious	105.0	110.5	+0.1	-
Deposit	102.0	107.3	—	-
Emerging Markets	100.6	106.1	-1.0	-
Friendly Endeavour	107.0	112.6	+0.4	-

Fairmount Trust Plc
Fairmount House, Leatherhead. KT22 7AY 01372 370000

	Selling Price	Buying Price	+ or -	Yield Gross
Secure	133.10	140.00	—	-
Growth	142.40	149.80	—	-
Pension Secure	121.90	128.30	—	-
Pension Growth	136.80	144.00	—	-

Money Market Bank Accounts

Allied Trust Bank Ltd
25 Dowgate Hill, London, EC4R 7AE 0171-626 0879

American Express Bank Ltd
Sussex House, Burgess Hill RH15 9AQ 01271 633 555
High Performance Cheque Account

Arbuthnot Latham & Co Ltd

Bank of Ireland High Interest Cheque Acc

Bank of Scotland

Barclays Select

Barclays Prime Account H.I.C.A.

Brown Shipley & Co Ltd

Royal Bank of Scotland plc Premium Acc
42 St Andrew Sq, Edinburgh EH2 2YE 0131-523 6302

	Gross	Net	Gross CAR	Int Cr
£50,000+	5.25	3.94	5.35	Qtr
£25,000 - £49,999	5.00	3.75	5.00	Qtr
£10,000 - £24,999	4.25	3.19	4.32	Qtr
£5,000 - £9,999	3.50	2.63	3.56	Qtr
£2,000 - £4,999	1.65	1.24	1.66	Qtr

Save & Prosper/Robert Fleming
16-22 Western Rd Romford RM1 3LB 0800 282101

	Gross	Net	Gross CAR	Int Cr
Client Account	4.91	3.68	5.00	Qtly
TESSA Fixed 1 Year	5.50	-	5.50	Mth
TESSA Variable	6.25	-	6.25	Mth
Premier Acc £10 000+	4.91	3.68	5.07	Mth
Deposit Acc £5,000+	4.91	3.68	5.00	Qtly

J. Henry Schroder & Co Ltd
120 Cheapside, London EC2V 6DS 0171-382 3301

	Gross	Net	Gross CAR	Int Cr
Special Acc	5.5	4.13	5.64	Mth
£10,000 and above	5.75	4.31	5.90	Mth

Fixed Deposit Rates – available on request

United Dominions Trust Ltd
PO Box 82, Herts. EN4 0DY 0181-447 2438
Capital Plus Cheque Account

	Gross	Net	Gross CAR	Int Cr
£5,000+	5.90	4.43	6.03	Qtr

United Trust Bank Ltd
1 Great Cumberland Pl. London W1H 7AL 0171-258 0084

	Gross	Net	Gross CAR	Int Cr
£10,000-90 day notice	6.75	5.06	6.92	3-Mth
£10,000-180 day notice	7.50	5.63	7.64	6-Mth

Western Trust High Interest Cheque Acc
The Moneycentre, Plymouth PL1 1SE 01752 224141

	Gross	Net	Gross CAR	Int Cr
£15,000+	6.00	4.50	6.14	Qtr
£5,000-£14,999	5.75	4.31	5.88	Qtr
£1,000-£4,999	5.50	4.13	5.61	Qtr

Money Market Trust Funds

The CBF Charities Deposit Fund

Cent. Bd. of Fin. of Church of England‡
0171-588 1815

NOTES– Gross: Contractual rate of interest payable, not taking account of the deduction of basic rate income tax. Net: Rate of interest payable after allowing for deduction of basic rate income tax. Gross CAR: Gross rate annualised to take account of compounding of interest paid other than once a year. 'Compounded Annual Rate'. Int Cr: Frequency at which interest is credited to the account.

FT MANAGED FUNDS SERVICE

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OFFSHORE AND OVERSEAS

BERMUDA (SIB RECOGNISED)

Fidelity Currency Funds Ltd
Pembroke Hall, Pembroke, Bermuda

Prices for dealing December 29

Jupiter Tyndall (Bermuda) Ltd

Newport Investment Management
73 Front Street, Hamilton, Bermuda

Orion Fund Limited

BERMUDA (REGULATED)(**)

Bermuda Intl Invmnt Mgmnt Ltd

Butterfield Management Co Ltd

GUERNSEY (SIB RECOGNISED)

AIB Investment Managers (Guernsey) Ltd

Adams & Nevile Fd Mangt (Guernsey) Ltd

Equitable International Fund Managers Ltd

Guinness Flight Fd Mngrs (Guernsey) Ltd

Hambros Fd Mgrs (CI) Ltd

Kleinwort Benson Intl Fd Mngrs Ltd

Lazard Freres Asset Management (CI) Ltd

Lazard Fund Mngrs (Channel Islands) Ltd

Lloyds Intl Money Market Fund Ltd

M & G (Guernsey) Ltd

Prudential Fund Managers (Guernsey) Ltd

Rothschild Asset Management (CI) Ltd

Royal Bk of Canada O/S Fd Mgrs Ltd

Sarasin Funds Mngmt (Guernsey) Ltd

Schroder Investment Mngmt (Guernsey) Ltd

GUERNSEY (REGULATED)(**)

ANZ Mngmt Co (Guernsey) Ltd

Apollo Investment Management Ltd

Arab Bank Fund Managers (Guernsey) Ltd

Bochmann Global Investment Fund Ltd

CIBC Fund Managers (Guernsey) Ltd

Commercial Union Captives Inv Mngt

Consulta (Channel Islands) Limited

Dontrust Management (Guernsey) Ltd

Global Portfolio Management (Guernsey) Ltd

Guernsey Capital Management Limited

Hambros Fund Managers (CI) Ltd

Hauteville Fund Managers (Guernsey) Ltd

Havelet Throgmorton Mngmt Ltd

IPS (Guernsey) Ltd

Kleinwort Benson Intl Fd Mngrs Ltd

Lazard Fund Managers (CI) Ltd

Lazard Freres Asset Management (CI) Ltd

Lloyds Bank Fund Managers (Guernsey) Ltd

Merrill Lynch Guernsey

Metallgesellschaft (Guernsey) Limited

Nikko Capital Mngt (Europe) Ltd

Paragon Asset Management Ltd

Rothschild Asset Mngmt (CI) Ltd

Royal Bank of Canada Intl Money Market Fd

Saudi International (Guernsey) Ltd

Schroder Investment Mngmt (Guernsey) Ltd

Staines Fund Managers (Guernsey) Ltd

UBK Asset Management (Guernsey) Ltd

U.S. Advisors (Guernsey) Limited

Wells Fargo Nikko Inv Adv Gsy Ltd

Yamaichi Capital Mngt (Guernsey) Ltd

IRELAND (SIB RECOGNISED)

BT Fund Managers (Ireland) Ltd

Bank of Cyprus Group

Baring International Fund Managers (Ireland) Ltd

Christows Investments Plc

Coutts & Co Fund Managers Limited

Dresdner Intl Management Services Ltd

Dunedin Unit Trust Managers (Ireland) Ltd

Federated International Funds Plc (u)

The Fiduciary Trust Global Fund

GAM Fund Management Ltd (u)

GT Asset Management (Ireland) Ltd

Guinness Flight Select Funds Plc

Henderson Crosthwaite Investment Co

Morgan Grenfell Investment Funds Ltd (u)

Odey Asset Management Ltd

Old Mutual International Fd Mngrs Ltd (u)

Prolific International Fund Plc

Scottish Value Management (Ireland) Ltd (u)

Singer & Friedlander Inv Funds Ltd (u)

Swiss Life Investment Fund – Proteus (u)

IRELAND (REGULATED)(**)

AIB Fund Management Ltd

Apollo Fund Plc

Argenta European Hedge Fund plc

Asia Dynamic Growth Fund Plc

Asia Small Cos Growth Fund (u)

Asian Diversified Equity Fund Plc

Asian Emerging Markets Fund Plc

Asian Gateway Fund Plc

Asian Growth Fund Plc

Asset Korea Fund

Atlantis Korean Smaller Companies Fund

BT Fund Managers (Ireland) Ltd (u)

BZW Investment Management Ireland Ltd

Bank of Ireland Unit Managers Ltd

Baring International Fd Mgrs (Ireland) Ltd

Baring Mutual (Ireland) Ltd

Berkshire KITC Growth Fund Plc

Berkshire Korea Fund Plc

Bordier Invest (Ireland) Ltd

CFP Interest Rate Arbitrage Fund Plc

Calpine Fund

Capital Vision Fund Plc

Chemical Ireland Fund Administrators Ltd

Citi Investment Fund (Ireland)

Citizens Investment Trust Mngt Company

Daiwa Europe Fund Managers Ireland Ltd

Dragon Korea Fund Plc

Dynamic Pacific Portfolio Fund Plc

East Asia Hanson Ireland Ltd

Egerton Capital European Fund Plc

Emerging Dynamic Fund Plc

Emerging Market Growth Fund Plc

F.I.T. Investment Trust Ltd (u)

Falcon Market Fund Plc

Framlington Investment Mgmt (Ireland) Ltd

Frank Russell Investments (Ireland) Ltd (u)

Fresh Korea Fund

GNI Fund Management (Ireland) Ltd

GT Asset Management (Ireland) Ltd

Global Resources Stock Fund

Gordon House Asset Management Ltd

Hambros Fund Managers (Ireland) Ltd

Hansol Korea Venture Fund

Hansard Europe Limited

Kim Europe Worldwide Fund

Kime Far East Fund Plc

Kime Korea Fund Plc

Kleinwort Benson Bond Arbitrage Fund Plc

Kleinwort Benson Derivative Products Fd Plc

Korea Balanced Return Fund

Korea CB Fund Plc

Korea Capital Growth Fund

Korea Golden Dynasty Fund Plc

Korea Investment Management Ireland Ltd

Korea Open Fund

Korea Sprint Fund Plc

Korea Strategic Growth Fund

Korea Sunrise Fund

Korean Emerging Growth Fund Plc

Korean Power Fund

Korean Preferred Share Fund

Morgan Grenfell Fixed Income Funds Plc

Morgan Grenfell Profunds Plc

National Mutual Funds Management

New Silk Road Fund

Old Mutual International (Ireland) Ltd

Orical Balanced Fund Plc

Pacific 21st Century Fund

Pacific Growth Fund Ltd

Paine Webber Offshore Funds Plc (u)

Paribas Asset Management (Ireland) Ltd

Pioneer Management (Ireland) Ltd

J. Rothschild International Assce plc

Samsung Yamaichi Asia Growth Fund Plc

Sanwa International (Ireland) Plc

Scottish Amicable European/International

Societe Generale Group

Stellar Fund Plc

Ulster Bank Investment Services

Value Express Fund Plc

Yamaichi Samsung Dynamic Korea Fund

Yellow Sea Investment Company PLC

Yuki Korea Fund

Yuki Taiwan Fund

ISLE OF MAN (SIB RECOGNISED)

AXA Equity & Law Intl Fund Mngrs

Allied Dunbar Intl Fund Mgrs (1600)F

Ashburton Global Funds Ltd (1200)

Bank of Ireland Asset Mngmt (IOM) Ltd

CMI Fund Managers (IoM)

Mercury Fund Managers IoM Ltd

Quilter Intl Mngt (IoM) Ltd

Sun Life Management (IoM) Ltd

Ulster Bank Global Funds Plc

Unibank Scandinavian Fund Ltd

ISLE OF MAN (REGULATED)(**)

For ATC Fund Management see Syfrets International

AXA Equity & Law Intl Fund Mgs

Bank of Ireland Asset Mngmt (IOM) Ltd

City Financial Admin (IoM) Ltd

Duncan Lawrie Inv. Mgt. Ltd

RHR Fund Managers Ltd

Syfrets International Fund Management Ltd

For Ulster Bank Global see Isle of Man (SIB)

JERSEY (SIB RECOGNISED)

AIB Fund Managers (CI) Ltd

Barclays International Funds

For Capital House see Newton Fund Managers

Coutts & Co (Jersey) Fund Managers Ltd

Gartmore Fund Managers (Intl) Ltd (z)

John Govett (Channel Islands) Ltd (1000)F

Hill Samuel Fund Mgrs (Jsy) Ltd (1000)F

Lloyds Bank (CI) U/T Mgrs.

Midland Bank Fund Managers (Jersey) Ltd

Newton Fund Mgrs (CI) Ltd (1200)F

Prudential Fund Managers (Jersey) Ltd

Royal Bank of Scotland Fd Mgrs (Jersey) Ltd

Standard Bank Fund Mgmt (Jersey) Ltd

TSB Fund Managers (CI) Ltd

Fleming Group

Foreign & Colonial Mngmt (Jersey) Ltd

John Govett Management (Jersey) Ltd

INVESCO International Limited

Jupiter Tyndall (Jersey) Ltd

Lloyds Private Banking (CI) Ltd

Lombard Odier (Jersey) Ltd

Lomworld Financial Services Limited

Mercury Asset Mngt Channel Islands Ltd.

Minerals, Oils Res. Shrs. Fd. Inc.

Northgate Unit Tst. Mngr. (Jersey) Ltd

Perpetual UT Mngrs (Jersey) Ltd

The Portugal Fund Limited

Royal Bk of Scotland Fd Mngrs (Jersey) Ltd

Schroder Mngt Services (Jersey) Ltd

Scrimgeour Kemp-Gee Mngmt., Jersey

TSB Fund Managers (CI) Ltd

Worldinvest (Managers) Jersey Ltd

JERSEY (REGULATED)(**)

Barclays Intl Funds

Cater Allen Investment Management (CI)

Cazenove International Asset Mngt Ltd (CIAM)

Citibank (CI) Ltd 'Citifunds'

Citibank N.A.

Coutts & Co (Jersey) Fund Managers Ltd

EBC Fund Managers (Jersey) Ltd

LUXEMBOURG (SIB RECOGNISED)

ABN AMRO Funds (u)

Abtrust Fund Mngrs Luxembourg SA (u)

American Phoenix Investment Portfolios (u)

BAII Asset Management Ltd

Bank Von Ernst & Cie AG

Banque Indosuez

Barclays Diversified Portfolio (z)

Barclays Inv Funds (Luxembourg)

CMI Asset Management (Luxembourg) SA

Comgest SA

Commercial Union Luxembourg SA (u)

Cresvale Group (u)

DB Investment Management SA

Danske Fund (u)

Den norske Bank

Dolphin Intl Investments (u) SICAV

Dresdnerbank Asset Mngmt SA (u)

E.T. Investment Management Ltd

Eagle Star – Global Assets Fund (u)

Eigiston Global SICAV (u)

EquiFund–Wright National Eqty Fd (u) (x)

Fidelity Funds (u)

Fleming Group (u)

Foreign & Colonial Emerging Markets Ltd (u)

Frontrunner I (u)

Gartmore Luxembourg SA (u)

HSBC Investment Funds Luxembourg SA (u)

Henderson Management SA (u)

Hypo Foreign & Colonial Port Fd Sicav(u)

INVESCO International Limited (u)

Jupiter Tyndall Global Fund

Kleinwort Benson Japanese Warrant Fund

Kleinwort Benson Select Fund (u)

Liberty Newport World Portfolio (u)

Lloyds Bank Luxembourg

Manulife Regent Global Fund (u) (z)

Mercury Asset Management S.A.

Midland Intl Circuit Fund SICAV(u)

Nikko Capital Management

Nomura Global Fund (u)

PRICOA Worldwide Inv Portfolio Sicav (u)

For Regent Global see Manulife Regent Global

S-E-Banken Luxembourg SA

Sarasin Investment SICAV (u)

Schroder International Selection Fd (u)

Scottish Equitable Intl Fund SICAV (u)

Sun Life Global Management Ltd (u)

Templeton Global Strategy Funds

Thornton Investment Management Ltd

LUXEMBOURG (REGULATED)(**)

Aetna International Umbrella Fund (u)

Alliance Capital

Ameriswiss Fund SICAV

Asian Development Equity Fund

Atlantas Sicav

Banque Ferrier Lullin (Lux) SA

Banque Indosuez Luxembourg

Banque Pictet (Luxembourg) S.A.

Banque Scandinave En Suisse

Blakeney Management Ltd

CB Fund International (u)

CSFB Umbrella

Capel-Cure Myers Intl Fd Sicav (u)

Carlson Investment Management

هكذا من الأصل

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OTHER OFFSHORE FUNDS

OFFSHORE INSURANCES

MANAGED FUNDS NOTES

WORLD STOCK MARKETS

NORTH AMERICA

UNITED STATES (Dec 29 / US$)

(4 pm close)

		+/-	High	Low	Yld	P/E
AAR	22	+⅛	22	12⅛	2.2	26.5
AMP	38⅞	-½	48¼	35	2.4	18.9
AMR	74	+¼	80¼	53⅜	....	17.3
ASA	37½	-¼	47⅞	36⅜	4.8	24.8
AT&T	64¾xd	+⅛	68½	47⅞	2.0	24.7
AbbotL	41¾	+½	44¾	30¾	2.0	20.3
AcmeCl	18⅝	+⅝	29¼	10¼	2.9	33.3
AdvMic	16⅞	-¼	38⅞	27⅞	..	5.3
AetnaL	68⅞	-⅞	78¾	46¾	4.0	33.4
Aflac	43⅞	+⅛	44⅞	31⅞	1.2	12.8
Ahmsn	26⅞	-⅛	28⅞	18	3.3	8.2
AirPrC	52⅝xd	-¼	59½	43⅞	2.0	16.0
AirTch	28⅛	+½	35⅞	24	....	
AlbCuB	34⅛	-	38½	35⅞	0.0	16.1
Albtsn	32¾		34⅞	27¼	1.6	16.2
AlcnAl	31¼	+¼	36⅞	23⅞	1.9	13.4
AlcoSt	45½		47⅞	31	2.3	50.0
AlexAl	18⅝	-⅛	26⅞	18½	0.5	15.2
AlxBld	23½	+¼	25½	20½	3.7	23.5
AllegP	28½	-½	29⅛	21½	5.8	15.2
AldSig	47⅝	-⅛	49⅞	33⅞	1.8	15.9
Allsta	41	-¾	42⅞	23½	1.9	11.3
Alumax	30⅞	+1⅛	37⅞	23¾	....	6.1
Alcoa	53	+2½	60¼	36⅞	1.7	9.4
AmaxGd	7¼	-⅛	7⅞	4½	1.1	11.9
Amdahl	9⅞	+¼	13⅞	8⅛	0.8	9.3
AmdaHs	53½		53½	43¾	1.1	44.3
AmBrnd	44⅝	-¼	47¼	35⅞	4.5	10.2
AmElPw	40⅞	-⅛	40⅝	31¼	5.8	14.8
AmExpr	41⅜	+⅛	45⅛	29⅛	2.2	13.8
AmGenl	34⅜	-¼	39⅞	27½	3.9	10.8
AmGrtA	27⅞	-¼	33	25½	2.3	18.2
AmHome	96¾	+⅛	99⅞	61¾	3.1	14.9
AmIntl	92	-½	95½	64	0.4	16.3
AmNtn	80	+2⅛	66¾	45½	3.8	9.1
AmStor	26⅞xd	+⅞	30¾	23¾	2.1	11.9
Am Fin	30⅞xd	-⅛	37⅛	24⅞	3.3	13.4
AmStnd	28	+½	32	19⅞	..	50.8
Amrtch	59xd	+¼	59¼	39⅞	3.8	16.1
Ametek	18⅝	-½	19½	15¾	1.3	14.3
Amoco	72	-⅛	72⅞	56⅞	3.3	16.3
Analog	35¼		39⅞	20	..	26.3
AnBsch	66⅞	+½	68	50¾	2.6	16.3
Aon Cp	49⅞	.	50⅞	31⅞	2.7	14.6
AppleC	31⅞	-½	50⅛	31⅛	1.5	8.2
ArchDn	18	-	20	14¼	0.8	12.1
Armco	5⅞	-	7⅞	5⅛	..	21.8
ArmstW	62		64½	38⅞	2.3	16.7
Asarco	31⅞	+1⅞	36⅞	23⅞	2.5	5.8
AshOil	35½	-⅝	38⅝	30½	3.1	..
AtlRch	110¾	-⅞	117⅞	100½	5.0	13.5
AuData	74⅛	-⅛	82⅝	57⅞	0.9	26.0
Autdsk	34		53	31¼	0.7	71.8
AveryD	50	+⅛	50⅛	33½	2.2	19.9
Avnet	44⅝	-¼	55⅞	35¾	1.3	12.2
AvonPr	75¼	-⅛	78⅞	54	2.9	18.5
Balmc	5¾		6	3⅞	3.5	7.6
BakerH	24¼	-⅛	24⅞	18¾	1.9	38.2
BallCp	27¼	..	38⅞	25¾	2.2	
Bally	13¾	+⅛	13¾	6	..	41.7
BaltGE	28⅝	+¼	29	22	5.4	14.6
BncOne	37⅝	-⅛	40⅛	25⅛	3.6	12.7
Bandag	54xd	-⅛	65⅞	49	1.5	14.1

		+/-	High	Low	Yld	P/E
FPL	46⅛	-⅛	46½	34⅛	1.8	14.6
Feddrs	5¾	+⅛	7⅞	5	1.4	7.8
FedExp	73¼	+3⅞	88	58½		13.2
FedMgl	19½	-⅜	23¾	18⅝	2.5	16.1
FedNtM	124⅛	+⅞	126	60¾	2.2	14.9
FedPBd	51⅞xd	+½	53	26⅝	3.1	11.1
FldCen	16⅛	-⅝	26⅛	15¼	.	18.6
Fina A	50½		50⅞	34¼	4.8	10.1
FstBkS	48⅝	-⅛	53⅝	32⅝	2.8	13.0
FChNBD	39½	+¼	42⅞	38	-	10.1
FstDta	66¾	-¼	71¼	48	....	31.8
FstFid	75⅛	-¼	80	44¼	2.7	13.6
FstInt	137⅛	-⅛	142⅛	67¼	2.3	14.4
FstMis	26⅞	+⅞	41⅞	20¼	1.5	13.1
FstUnR	7xd	+⅛	8⅞	8½	0.3	20.0
FleetF	40⅞	-¼	43¼	29⅞	3.9	9.9
FlwdEn	25⅞	-⅞	28⅞	17¾	2.3	15.3
FlemGl	30½	+⅞	29⅞	19⅛	5.9	15.0
FlaPrg	35½	-¼	35¾	29⅜	5.7	14.1
Fluor	58xd	-½	68	42⅞	1.0	23.7
FoodLA	5¾	+⅛	6⅞	4⅞	1.7	15.4
FoodLB	5⅝	+⅛	6⅝	5	1.7	16.1
Ford	28⅞	..	32⅞	22½	4.3	6.2
FostWh	41⅞	-¼	43½	29⅞	1.9	20.8
FstHth	28½	..	28⅞	14⅞	..	17.5
FreMcM	30¼	+⅛	145½	27	0.2	19.3
FrMCCG	28	+⅝	20⅞	22⅞		
FdAmEn	74½	-½	76	68	0.9	13.8
GATX	48⅝	-⅝	54¼	40⅞	3.3	10.5
GEICO	69⅞		70	47⅞	1.5	20.1
GTE	43⅝	-⅛	45⅛	30⅛	4.3	18.9
Gallgh	37⅛xd		38	30⅛	2.7	15.2
Gannt	60⅞	+½	84¾	49½	2.3	18.0
Gapinc	41⅞	-1	51	29⅞	1.1	19.0
Gncorp	12⅛		14⅛	10	4.9	...
GnAInv	20	-⅛	21⅞	18¾	0.8	...
GenDyn	59⅛	-¼	63	42⅞	2.5	15.5
GenEle	72⅛xd	+1	73⅛	49⅞	2.8	19.1
GnMill	57¾	+⅝	64½	48¾	3.3	26.1
GenMtr	52⅛	+1¼	53⅛	37⅞	2.3	7.4
GnMtrE	52¼	+¼	52⅞	36⅞	1.0	27.6
GnMtrH	49⅛	-⅛	50	33¼	1.9	18.0
GenPUt	33⅞	+¼	34	26¼	5.5	9.2
GenRe	155xd	+1⅞	158¼	121⅝	1.3	16.2
GenSig	32⅛	+⅛	42½	28	3.0	14.5
GenuPt	41	+⅞	42	35½	3.1	16.7
GrgiaP	68⅝	+1⅛	95¼	65¾	2.9	6.2
Gillte	52⅛	+⅛	55⅞	35½	1.2	28.3
GlaxoW	28¼	+⅞	28¼	18⅞	3.5	28.9
GWstFn	55⅛	-¼	57½	34⅞	0.6	15.8
Gdrich	69	-⅛	72⅞	41⅝	3.2	16.6
Gdyear	46	+⅛	45⅛	33	2.7	11.4
GraceW	59	-⅛	71½	38¼	2.4	25.5
GrngrW	65⅝	-¼	67⅞	55½	1.4	24.8
GtAtPT	22⅞	-¼	28⅞	17⅞	0.9	23.3
GtWFin	25⅞	-⅛	27	16	3.9	16.0
Hallbtn	50⅞		50⅞	32⅞	2.0	18.9
Hanna	27¾	+⅝	30	23	1.9	15.7
HarcGn	41⅞	+⅞	46¾	32⅞	1.6	18.3
Harnfg	32⅞xd	+1½	39⅜	26	1.2	18.3
Harris	54⅝	+¼	61⅞	40½	2.5	13.4
Harsco	58⅛	-⅛	60½	39⅞	2.5	16.2
Hartmx	4.50	+.13	6.67	4.25	13.3	7.4
Hasbro	31	+⅞	35¼	28½	1.0	16.7
HeclaM	6⅞	-⅛	12⅞	6⅝	0.7	2.5
Hercs	57⅞xd	-⅛	34⅞	24¼	4.6	19.5
HelmrP	29¾	-⅞	31¼	24¼	1.7	74.4
Hrcule	58¼		62¾	38¼	1.6	19.1
Hrshey	65	-⅛	67⅞	48	2.2	27.2
HewPac	83⅞	+⅛	96⅞	49	1.0	18.1

		+/-	High	Low	Yld	P/E
RoadwS	48⅛	-¼	51⅛	48⅝	..	..
RochGE	22⅝xd	-⅝	24⅛	20	6.0	8.5
Rckwll	52⅞	+⅛	53	35	2.0	15.5
RohmH	64⅛	+½	64⅞	49⅛	2.6	18.3
Rohr	14⅞	+⅛	16⅞	9⅞	.	30.8
Rollin	21⅞	-⅛	28⅝	19⅞	2.0	19.0
Rowan	9⅞	+⅛	10	5⅝		20.2
RDutch	141⅛	+⅛	141⅞	107¼	3.1	22.2
Rbrmd	25⅛	+¼	34⅛	24⅞	2.0	21.6
Ruddic	11½		14⅛	9⅞	2.1	13.7
RussCp	27⅞	+⅛	31¼	22	1.7	19.5
RyderS	24⅛	-⅛	26⅛	21	2.4	15.2
RymarF	1		3.25	0.63		4.2
SPS Te	53⅞	+¾	53¾	25⅞	2.4	24.1
SBC Cm	57⅞	-½	58½	39⅝	2.9	19.3
SPX	15⅞	+½	17⅞	10⅞	2.5	23.0
Safeco	34⅝	+⅛	39⅛	25¼	3.1	11.5
Sflytd	15⅛	+⅛	18⅛	12⅞	2.3	17.1

		+/-	High	Low	Yld	P/E
WstgEl	18⅛		17⅞	12⅛	1.2	...
Westvco	28⅞	+⅜	31¾	24	3.3	9.8
Weyhsr	43⅛	+⅛	50⅞	38⅞	3.7	12.0
Whirlp	53¼	+⅛	80⅞	48½	2.6	39.4
Whtmn	22¾		23⅞	16⅝	1.7	18.3
Wlamtt	58⅛	+⅞	72¾	46¾	2.1	6.7
Willms	43½	-⅞	44½	24½	2.5	17.0
WinnDx	36⅞	+¼	37⅞	25½	2.5	23.2
WiscEn	30½		30⅞	25¾	4.6	14.2
Woolwt	12⅞	+⅛	18⅞	12¼	4.7	49.6
Wthngt	20¾	-¼	23½	16⅝	2.1	16.9
Wrigle	52⅛	+⅛	54	42⅞	1.3	28.5
Xerox	137	+⅞	144⅝	96½	2.2	18.9
Yellow	12½	+⅛	24⅞	11⅞	7.5	
ZnthEl	7	+⅛	12⅛	6⅝	-	4.8
Zero	17¾	+⅞	17⅞	12⅝	2.5	18.1

		+/-	High	Low	Yld	P/E
StPaul	56⅞xd	+¼	59⅛	43½	2.9	10.7
Salomn	35½	+⅞	43¾	32⅞	1.8	13.7
SnDgGE	23⅝		23⅞	19⅛	6.8	12.4
SFeGd	12⅛	-¼	14	9	0.4	32.9
SaraLe	31¾	-½	33¾	24¾	2.1	18.1
Sceorp	17¾	+¼	18	14½	5.9	10.8
SchrPl	54¾	+⅝	60¾	35½	2.1	20.1
Schlmb	69½	-⅞	70⅞	50⅛	2.2	26.3
SciAtl	15	+⅞	24⅞	11⅞	0.4	30.8
SeaCnB	18⅝		20	13⅛	4.1	1.9
S'gate	47⅝	+⅞	54¾	23⅞		10.2
Seagrm	34⅛		39½	25⅝	1.7	33.8
SearsR	39	+¼	48¾	30⅛	2.4	10.4
SequaA	30⅞	-⅞	32¼	21⅞	0.0	13.8

CANADA (Dec 29 / Can. $)

(4 pm close)

		+/-	High	Low	Yld	P/E
Abitib	19⅝	+⅛	25⅞	17⅛	2.0	8.8
AgnEag	17⅛	+⅛	20	12¾	0.8	32.8
AirCda	4.65	+.10	8.88	4.30	..	8.9
AlbtaE	21⅞	-⅛	23⅛	16⅛	1.8	13.7
AlbNtG	20¼xd		24	14⅛	3.4	12.7
AlcnAl	42½	+1	49⅝	33⅛	1.9	13.3
BC Tel	25	+⅛	25¼	22¼	5.1	11.8
BCE	47¼	+⅛	47⅞	41⅛	5.8	20.3
BkMont	31⅛	.	31½	24¾	4.2	9.0
BkNovS	29⅞xd	-⅛	30⅞	24¼	4.2	8.8

EUROPE

AFRICA

PACIFIC

SINGAPORE (Dec 29 / S$)

		+/-	High	Low	Yld	P/E
AuneP	2.52	...	2.84	1.90		
DBS F	17.60	+.20	17.80	11.90		
OFarm†	0.92	..	1.46	0.71		
FraNv	10	+.20	16.80	12.60	0.7	
HKLnd†	1.85	+.02	2.38	1.67		
HawPar	3.02	...	3.20	2.62	3.8	
Inchcp	4.54	+.04	5.30	4.08	6.8	
JMath†	6.85	-.05	9.30	5.30		
JStrat	3.06	-.05	4.26	2.57		
Keppel	12.60	+.20	13.40	10	1.8	
MandO†	1.21	-.02	1.80	0.90		
OCBC F	17.70	+.60	17.60	11.70	0.9	
OUB F	8.75	...	9.85	7.30		
S AirF	13.20	+.30	14.70	11.80	1.7	
SPresF	25	+.50	25	17.25		
S'praT	3.14	....	3.38	2.62	1.1	
Strait	3.32	+.02	3.70	2.84	3.9	
TatLee	3.72	+.02	4.15	3.55	2.2	
UOB F	13.60	+.30	14.80	10.50	2.9	

Prices supplied by Telekurs

NOTES – Prices on this page are as quoted on the individual exchanges and are mostly last traded prices. Highs/Lows are based on data from Jan 1 1995. # Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all. † Priced in US $.

INDICES

	Dec 29	Dec 28	Dec 27	1995 High		1995 Low	
Argentina							
General(29/12/77)	(u)	16237.81	16256.73	16531.10	2/1	9831.09	9/3
Australia							
All Ordinaries(1/1/80)	2203.0	2200.0	2201.1	2225.60	13/12	1823.30	8/2
All Mining(1/1/80)	998.3	995.4	1001.0	1029.50	7/8	795.30	8/2
Austria							
Credit Aktien(30/12/84)	(c)	344.91	343.86	395.42	2/1	328.50	27/10
Traded Index(2/1/91)	(c)	959.79	953.89	1056.31	2/1	882.15	23/10
Belgium							
BEL20(1/1/91)	1559.63	1559.44	1554.40	1559.63	29/12	1271.53	9/3
Brazil							
Bovespa(29/12/83)	(u)	42990.0	43463.0	48612.00	19/9	21382.00	9/3
Canada							
Metals Mnls♦(1975)	(u)	4844.99	4821.46	5268.37	23/11	3806.63	1/3
Composite♦(1975)	(u)	4689.10	4684.20	4745.10	6/12	3991.41	30/1
Portfolio§§(4/1/83)	(u)	2307.78	2309.32	2342.77	11/12	1953.36	30/1
Chile							
IGPA Gen♥(31/12/80)	(u)	5751.30	5739.82	6363.10	11/7	4576.90	9/3
Denmark							
CopenhagenSE(3/1/83)	366.33	365.03	364.13	376.44	25/8	330.01	29/3
Finland							
HEX General(28/12/90)	(c)	1712.17	1714.11	2332.22	14/9	1555.30	29/3
France							
SBF 250(31/12/90)	1232.86	1232.92	1230.22	1322.30	12/5	1154.41	13/3
CAC 40(31/12/87)	1871.97	1879.05	1877.03	2017.27	12/5	1721.14	23/10
Germany							
FAZ Aktien(31/12/58)	815.66	818.15	818.60	846.76	19/9	708.87	30/3
Commerzbank(1/12/53)	2358.90	2367.80	2370.40	2427.80	19/9	2018.70	30/3
DAX‡(30/12/87)	2253.88	2275.84	2280.43	2317.01	15/9	1910.96	28/3
Greece							
Athens SE(31/12/80)	914.15	910.93	899.80	992.59	4/8	787.15	16/3
Hong Kong							
Hang Seng(31/7/64)	10073.39	9998.17	9985.23	10073.39	29/12	6967.93	23/1
India							
BSE Sens.(1979)	(c)	3110.49	(c)	3932.09	2/1	2922.18	29/11
Indonesia							
Jakarta Comp.(10/8/82)	(c)	513.85	512.67	519.18	11/8	414.21	19/4
Ireland							
ISEQ Overall(4/1/88)	2227.13	2216.17	(c)	2260.71	7/12	1813.59	23/1
Italy							
Banca Comm Ital(1972)	589.60	588.75	587.85	680.54	10/2	547.79	5/12
MIB General(2/1/95)	931.0	930.0	928.0	1076.00	10/2	869.08	5/12
Japan							
Nikkei 225(16/5/49)	19868.15	19873.13	20011.76	20011.76	27/12	14485.41	3/7
Nikkei 300(1/10/82)	296.33	294.68	297.84	297.84	27/12	222.26	13/6

	Dec 29	Dec 28	Dec 27	1995 High		1995 Low	
Japan							
Topix(4/1/68)	1577.70	1572.42	1585.87	1585.87	27/12	1193.18	13/6
2nd Section(4/1/68)	2062.11	2055.91	2050.65	2130.68	4/1	1441.80	13/6
Malaysia							
KLSE Comp.(4/4/86)	995.17	993.93	984.12	1085.04	5/6	840.87	24/1
Mexico							
IPC(Nov 1978)	(c)	2790.76	2812.56	2834.39	21/12	1447.52	27/2
Netherland							
CBS TtlRtnGen(End 83)	(c)	530.9	530.6	530.90	28/12	422.90	23/3
CBS All Shr(End 83)	(c)	321.5	321.3	321.50	28/12	265.20	23/3
New Zealand							
Cap. 40(1/7/86)	2149.82	2138.39	2135.17	2206.02	20/10	1901.43	5/1
Norway							
Oslo SE Ind(2/1/83)	1261.45	1255.67	1248.18	1292.10	18/10	1036.00	10/3
Philippines							
Manila Comp(2/1/85)	2594.19	2558.07	2533.39	2958.12	10/7	2196.48	20/11
Portugal							
BTA(1977)	2493.9	2476.0	2489.9	2917.80	9/1	2412.90	22/11
Singapore							
SES All-S pore(2/4/75)	555.39	551.46	553.55	558.94	22/12	472.90	23/1
South Africa							
JSE Gold(28/9/78)	1343.5♥	1347.0	1357.1	2023.00	2/1	1250.20	30/10
JSE Ind.(28/9/78)	7985.8♥	7976.7	7983.4	7991.10	22/12	6222.00	31/1
South Korea							
KoreaCmpEx**(4/1/80)	(c)	(c)	882.94	1027.37	2/1	847.09	27/5
Spain							
Madrid SE(30/12/85)	320.07	317.24	312.80	320.07	29/12	284.08	23/3
Sweden							
AffarsvardnGen(1/2/37)	1735.7	1735.0	1726.4	1872.10	19/9	1439.80	29/3
Switzerland							
Swiss Bk Ind(31/12/58)	(c)	1529.82	1531.39	1531.39	27/12	1174.83	13/3
SBC General(1/4/87)	(c)	1132.01	1136.28	1136.28	27/12	870.58	13/3
Taiwan							
WeightedPr **(30/6/66)	5158.65	5108.18	5071.55	7051.49	5/1	4503.37	14/8
Thailand							
Bangkok SET(30/4/75)	1280.81	1271.00	1279.14	1472.04	10/7	1135.89	16/3
Turkey							
Istanbul Cmp.(Jan 1986)	40024.5	39520.7	40720.7	54653.90	21/4	28644.31	23/1
WORLD							
MS Capital IntS(1/1/70)	733.2*	732.8	734.3	734.20	27/12	598.21	23/1
CROSS-BORDER							
Eurotrack 100(26/10/90)	1490.41	1492.17	1490.10	1492.17	28/12	1222.41	13/3
Euro Top-100(26/6/90)	1344.01	1343.15	1344.19	1344.19	27/12	1117.34	9/3
JCapelDrgns(31/12/88)	(u)	330.55	338.99	349.47	14/7	262.07	23/1
ING Brngs Emrg(7/1/92)	(u)	147.58	147.63	168.07	2/1	117.15	10/3

INDEX FUTURES

■ CAC-40 (200 x Index)	Open	Sett Price	Change	High	Low	Est. vol	Open int.
Dec	1878.0	1873.5	-2.5	1882.0	1861.0	14,432	10,222
Jan	1886.5	1875.0	-8.5	1878.0	1874.0	14,487	27,098
■ DAX							
Mar	2288.0	2278.5	-11.5	2294.0	2275.0	5,972	82,097
Jun	2302.0	2291.5	-12.0	2302.0	2289.0	7,556	18,540

■ OMX	Open	Sett Price	Change	High	Low	Est. vol.	Open int.
Jan	1367.00	1358.00	-5.00	1367.00	1355.00	1,552	16,214
Feb	-	1375.00	-	-	-	-	5
■ SOFFEX							
Jan	3318.0	3302.0	-	3332.8	3298.0	2,468	12,180
Feb	3317.0	3307.0	-7.0	3317.0	3317.0	24	1,005

** Sat Dec 23: Taiwan Weighted Price 5163.28; Korea Comp Ex 893.11. Base values of all indices are 100 except: Australia All Ordinary and Mining – 500; Austria Traded, BEL20, HEX Gen., MIB Gen., SBF250, CAC40, Euro Top-100, ISEQ Overall; Toronto Comp./Metals & Minerals and DAX – all 1,000; JSE Gold – 255.7; JSE 20 Industrials – 264.3, NYSE All Common – 50 and Standard and Poor's – 10. §§ Montreal. ♦ Toronto. (c) Closed. (u) Unavailable. ‡ IBIS/DAX after-hours index: Dec 28 - 2260.69 -13.21.

US INDICES

Dow Jones	Dec 28	Dec 27	Dec 26	1995 High	1995 Low	Since compilation High	Since compilation Low
Industrials	5095.80	5105.92	5110.26	5216.47 (13/12)	3832.08 (30/1)	5216.47 (13/12/95)	41.22 (2/7/32)
Home Bonds	105.34	104.99	104.98	105.34 (11/12)	93.63 (3/1)	109.77 (18/10/93)	54.99 (1/10/81)
Transport	1953.49	1959.47	1952.76	2092.11 (5/12)	1473.19 (3/1)	2092.11 (5/12/95)	12.32 (8/7/32)
Utilities	224.57	223.87	223.94	224.57 (28/12)	183.03 (3/1)	256.46 (31/8/93)	10.50 (8/4/32)

DJ Ind. Day's high 5132.65 (5146.74) Low 5062.21 (5077.74) (Theoretical♠)
Day's high 5106.28 (5126.51) Low 5088.58 (5098.33) (Actual♠)

Standard and Poors	Dec 28	Dec 27	Dec 26	1995 High	1995 Low	Since compilation High	Since compilation Low
Composite‡	614.12	614.53	614.30	621.69 (13/12)	459.11 (3/1)	621.69 (13/12/95)	4.40 (1/6/32)
Industrials♥	718.90	719.67	720.62	731.65 (13/12)	546.28 (3/1)	731.65 (13/12/95)	3.62 (21/6/32)
Financial	61.91	61.96	61.60	63.66 (6/12)	41.64 (3/1)	63.66 (6/12/95)	8.64 (1/10/74)
NYSE Comp.	328.35	328.13	327.64	331.17 (13/12)	250.73 (3/1)	331.17 (13/12/95)	4.46 (25/4/42)
Amex Mkt Val	544.52	544.70	543.77	553.58 (12/9)	433.12 (6/1)	553.58 (12/9/95)	29.31 (9/12/72)
NASDAQ Cmp	1042.22	1048.13	1043.37	1069.79 (4/12)	743.58 (3/1)	1069.79 (4/12/95)	54.87 (31/10/72)

■ RATIOS

	Dec 22	Dec 15	Dec 8	Year ago
Dow Jones Ind. Div. Yield	2.31	2.27	2.27	2.78
	Dec 27	Dec 20	Dec 13	Year ago
S & P Ind. Div. yield	1.98	2.02	1.95	2.47
S & P Ind. P/E ratio	18.75	18.48	19.06	16.40

■ NEW YORK ACTIVE STOCKS

Thursday	Stocks traded	Close price	Change on day
Kmart	6,411,700	7	+⅛
Micron	4,971,800	40¼	-1⅝
WalMart	3,601,600	22⅛	-⅛
Compaq	3,413,700	46⅛	-2
Telefonos	2,704,100	32⅛	-⅛
Merck	2,407,400	66⅛	+1¼
Silicon Grphs	2,250,400	27¼	-⅛
Toys R Us	2,248,300	22	–
The Limited	2,057,700	16⅛	-⅛
PNC Bank	1,878,500	11⅛	+⅛

■ TRADING ACTIVITY

■ Volume (million)	Dec 28	Dec 27	Dec 26
New York SE	288.471	252.310	217.031
Amex	18.231	17.284	14.691
NASDAQ	460.431	391.488	344.024
NYSE			
Issues Traded	3,094	3,085	3,056
Rises	1,251	1,330	1,261
Falls	1,080	998	1,026
Unchanged	763	757	769
New Highs	185	145	152
New Lows	30	28	17

■ S&P 500	Open	Latest	Change	High	Low	Est. vol.	Open int.
Mar	617.50	618.25	+0.50	618.60	617.00	33,001	191,419
Jun	624.20	624.20	+0.95	624.20	624.20	319	6,343

■ Nikkei 225	Open	Sett price	Change	High	Low	Est. vol.	Open int.
Mar	19960.0	19860.0	-40.0	19980.0	19860.0	7,520	137,074
Jun	19940.0	19890.0	-50.0	19940.0	19890.0	19	16,190

Open interest figures for previous day

† Correction. * Calculated at 15.00 GMT. ● Excluding bonds. ‡ Industrial, plus Utilities, Financial and Transportation. ♠ The DJ Ind. index theoretical day's highs and lows are the averages of the highest and lowest prices reached during the day by each stock; whereas the actual day's highs and lows (supplied by Telekurs) represent the highest and lowest values that the index has reached during the day. (The figures in brackets are previous day's). ♥ Subject to official recalculation

مكتبة الامل

WORLD STOCK MARKETS

AMERICA

Dow improves as tech stocks rebound

Wall Street

US stocks drifted up during thin morning trading yesterday, easing an eventful stock market year towards a close on a positive note, *writes Richard Waters in New York.*

At 1pm, the Dow Jones Industrial Average was 12.29 ahead at 5,108.09 – having started the year some 33 per cent lower, at 3,834.44.

The Nasdaq composite, aided by a rebound in technology stocks after Thursday's retreat, climbed 5.18 during morning trading to 1,047.4, representing a gain of 42 per cent from the start of the year. The broader market index, the Standard & Poor's 500, was 0.36 ahead at 614.48 for a 34 per cent advance on the year.

Share prices took their lead yesterday once again from the US Treasury market, where long-dated bonds continued a holiday rally. The benchmark 30-year bond moved forward [illegible] during the morning, lifting the price to 112[illegible].

That move pushed the yield on the long bond down to 5.957 per cent.

The bond market shrugged off a stronger than expected report from the Purchasing Management Association of Chicago, which temporarily hit prices early on. The market's firmness reflected continuing confidence over the outcome of the US budget debate, talks on which were due to resume yesterday afternoon.

The biggest gainers among Dow stocks during the morning included Alcoa, which rose $1¾ or 3.5 per cent to $52¼. General Motors was up 2.5 per cent or $1¼ at $52¼.

Technology stocks, which had been jittery on Thursday after a profit warning from the chipmaker, Cirrus Logic, bounced back strongly. Intel, the biggest chip maker, gained $⅝, to $57⅞. Among personal computer makers, Compaq advanced $⅞ to $47⅞, while Dell Computer jumped $1⅜, or 4 per cent to $34⅞. Gateway 2000, the biggest direct marketer of PCs, was up $2¼, or 9 per cent, at $25¼.

Airline stocks also recovered from the pounding they had taken the previous day, with UAL, parent of United Airlines, leading the way. After the sell-off, which had been prompted by fears of renewed fares war, UAL bounced back by $4 during the morning, to $178⅞. AMR, parent of American Airlines, rose $⅞ to $74¼, while Delta Air Lines jumped $1⅞ to $73¼.

Latin America

Traders blamed further pressure from a weak peso as MEXICO CITY opened weaker, and deteriorated further with the key IPC index, at mid-morning, standing 21.94 lower at 2,768.82. This brought the market's run of declines to four in succession, following its peak of the Thursday before Christmas.

Volume was light. Professionals had been expecting window-dressing to push the index up to around 2,800 by the end of the day.

CARACAS edged back from Thursday's record high and the 19-share IBC index was 5.08 weaker in quiet late morning trade at 2,013.50.

Corimon, the paints and general industrials company which dipped on Thursday after reports of financial difficulties at one of its US affiliates, remained under pressure. The shares fell another 2 bolivars to 24.25 bolivars.

Canada

Toronto was higher in very thin midday trade, with the TSE 300 composite index 14.34 ahead by noon at 4,703.44 in volume of 18.3m shares.

QLT PhotoTherapeutics gained another C$1½ to C$13⅝ after reacquiring marketing and distribution rights from American Cyanamid.

EUROPE

Busy Madrid closes 1995 with a new high

Recovering from Wednesday's last-minute, derivatives-associated tumble, MADRID consolidated, improved and closed at a new 1995 high, the general index rising 2.83 to 320.07, up 12.3 per cent on the year.

Turnover soared from Pta31bn to Pta87bn, inflated by block trades involving dividend-washing transactions on shares due to pay dividends next week. There was nothing obviously strategic about the gains, which saw metals and engineering stocks up 1.7 per cent, in company with a 1.5 per cent rise in banks.

Meanwhile, Gas Natural, Spain's dominant gas importer and domestic distributor, extended its lead at the top of the share price table with a rise of Pta740 or 4.1 per cent to Pta18,900, leaving it 64 per cent higher on the year.

PARIS was unhappy with Paribas after the bank confirmed that Mr Andre Levy-Lang, the chairman, was likely to be placed under judicial investigation in connection with the alleged falsification of Ciments Français accounts in 1991. At that time Ciments was a Paribas subsidiary.

Paribas fell FFr5.50 or 2 per cent to FFr268.50 and Ciments Français FFr3 to FFr137 as the CAC-40 index lost 7.09 to 1,871.97, barely changed on the year. Turnover was FFr3.2bn.

FT-SE Actuaries Share Indices

Dec 29 — THE EUROPEAN SERIES

Hourly changes	Open	10.30	11.00	11.30	12.00	Close	-	-
FT-SE Eurotrack 100	1491.57	1491.14	1490.48	1490.27	1489.59	1490.41	-	-
FT-SE Eurotrack 200	1594.75	1596.08	1598.39	1597.09	1600.32	1600.63	-	-

	Dec 28	Dec 27	Dec 22	Dec 21	Dec 20
FT-SE Eurotrack 100	1492.17	1490.10	1479.19	1485.57	1463.89
FT-SE Eurotrack 200	1597.69	1602.58	1587.34	1571.89	1565.70

Base 1000 (26/10/90); Highday: 100 - 1492.25; 200 - 1601.09 Lowday: 100 - 1489.42 200 - 1594.48 † Partial

Usinor Sacilor, the steel manufacturer, down FFr1.05 at FFr64.75, warned that it expected demand for steel to be flat in 1996 because of weak economic growth prospects in both Europe and Japan. This, in part, would be offset by better trading conditions in the US and south-east Asia.

However, Usinor's chairman also forecast that profits for 1995 should be one of the best in the group's history. The company indicated that it was considering investment opportunities in both China and India.

FRANKFURT ran into the last-minute selling which had troubled other bourses early in the week. Traders, disappointed by an early lack of appetite, sold long positions and the Dax index fell by a percentage point to close the official session 21.96 lower at 2,253.88.

At that point, the key index was 7 per cent higher on a year bedevilled by the wasting dollar and its effect on German export margins. After hours, it improved again, the Ibis market closing a shortened afternoon down 13.21 at 2,260.69.

There was no obvious theme among the main movers. Allianz fell DM39.50 to DM2,802, bringing it back to just over average performance for December, after a buoyant first 11 months of 1995. But two more of the big, serious outperformers this year, Hoechst and Siemens, pushed on in December as well with gains of 4.1 and 4 per cent respectively against a flat month for the Dax.

On the day, and further down the size scale, the market finally believed KHD when it said that a DM100m fire bill at one of its warehouses would be covered fully by insurance. The shares recovered 25 pfgs or 2.9 per cent to DM8.80.

MILAN overcame early weakness to see the year out in positive territory. Investors were, however, little moved by news that the cabinet had passed the final measures to conclude the 1996 budget, clearing the way for Prime Minister Lamberto Dini to offer his resignation today.

The Comit index rose 0.85 to 589.60, down 7.3 per cent on the year, while the real-time Mibtel index picked itself up from a day's low of 9,365 to finish 35 higher at 9,453.

OSLO was supported by higher oil prices which underpinned Norsk Hydro and other blue chips. The Total index climbed 3.44 to 732.96, ahead 12.8 per cent on the year. Turnover was NKr765m, up 40 per cent from Thursday's level.

Among the oils, Norsk Hydro moved up NKr3 to NKr266 in turnover of NKr66m, while Saga Petroleum made NKr1.50 to NKr84.50.

STOCKHOLM was weighed down by sharp falls in forestries as the Affärsvärlden general index put on 0.7 at 1,735.7, up 18 per cent on the year. Turnover was SKr1.9bn.

The forestry sector shed 2.3 per cent. Modo dived SKr9 to SKr283 and Stora retreated SKr2.50 to SKr78.

COPENHAGEN looked forward to pension fund buying early in the new year and pushed the KFX index up by 0.81 to 106.41 for a year's rise of 12.7 per cent. Novo Nordisk, the biotechnology group, set a high for the year with a rise of DKr7 to DKr760. Tele Danmark achieved the day's highest volume, with 396,951 shares traded, and the stock gained DKr1 at DKr303.

ISTANBUL was supported by bargain hunting following sharp declines earlier in the week in reaction to last weekend's parliamentary elections.

The composite index advanced 503.86 to 40,024.57, a year's rise of 46.8 per cent.

Written and edited by William Cochrane, Michael Morgan and John Pitt

SOUTH AFRICA

Johannesburg finished steady after a day of quiet trade, which saw some window dressing ahead of the unit trust quarterly close out. The overall index gave up 9.0 to 6,228.2, leaving a 6 per cent rise on the year, industrials firmed 8.1 to 7,986.8 and golds eased 3.7 to 1,343.3.

ASIA PACIFIC

Nikkei registers 37.2% second half gain

Tokyo

Equities left 1995 quietly as most investors refrained from activity, *writes Emiko Terazono in Tokyo.*

The Nikkei 225 average closed 4.98 down at 19,868.15, up 37.2 per cent from the year's low of 14,485.41 posted on July 3, and 0.7 per cent above last year's finish. The index moved between 19,821.71 and 19,940.10 during the half-day session on technical selling, and buying of large-capital stocks such as steels and shipbuilders by overseas investors.

The Topix index of all first section stocks rose 5.28 to 1,577.70 and the Nikkei 300 ended 1.65 up at 296.33. Volume totalled 200m shares, against Thursday's full day 480m. Gainers matched losers at 497, with 200 issues unchanged.

In London the ISE/Nikkei 50 index eased 0.39 to 1,377.76.

Pharmaceuticals rose on hopes of an increase in drug sales due to warnings of an influenza epidemic. Hisamitsu Pharmaceutical put on Y20 at Y1,040 and Taisho Pharmaceutical gained Y100 at Y2,040.

Overseas investors bought steel issues. Nippon Steel added Y6 at Y354 and Kawasaki Steel Y7 at Y360.

Oil shares, which had gained ground on the rise in crude oil prices, receded on profit-taking. Showa Shell Sekiyu dropped Y30 to Y865.

Consumer electronic stocks were higher on hopes of a rise in sales of heating appliances. Toshiba, the most active issue of the day, advanced Y11 to Y809, Matsushita Electric Industrial Y50 to Y1,680 and Sony Y40 to Y6,190. Other high-technology issues, however, lost ground.

In Osaka, the OSE average relinquished 17.66 at 21,451.19 in volume of 12.7m shares.

Roundup

Window dressing, much of it last-minute, combined with some speculation to leave the region higher on the day. Seoul and Jakarta were closed.

MANILA pushed up towards its 2,600 resistance level as foreign fund managers bought blue chips ahead of 1996. The composite climbed 36.11 to 2,594.18, down 6.9 per cent on the year, turnover nearly doubling from 2.2bn pesos to 4.1bn.

TAIPEI, similarly, was up on the day, the weighted index rising 50.47 or a percentage point to 5,158.65 in turnover of T$44.9bn on speculative buying, triggered by expectations that the central bank might loosen monetary policy to boost the economy.

Unfortunately, a year beset by China worries left the index down 27.5 per cent over 12 months.

HONG KONG ended 23 per cent higher on the year with the Hang Seng index up 75.22 at a closing 1995 peak of 10,073.39. Turnover dipped to HK$2.59bn from Thursday's HK$3.55bn. Consolidated Electric Power rose 65 cents or 4.9 per cent to HK$14.05 as institutions and funds bought in anticipation of a higher dividend.

Window dressing lifted mainland China companies traded in Hong Kong, the H-share index advancing 23.02 or 3.2 per cent to 757.12. However, the index has dropped about 29 per cent on the year.

SHANGHAI Bs tested their year lows yet again, the index closing 0.852 or 1.8 per cent lower at 47.685 in dull trading.

SINGAPORE saw construction and property group Lum Chang and its subsidiary LC Development plummet after the stock exchange reprimanded their directors for a breach in disclosure policy. LC fell 26 per cent to S$1.25 in 13.6m dealt, and Lum Chang 18 per cent to S$1.18 in 2m, as the Straits Times Industrial index rose 12.35 to 2,266.54, up 1.2 per cent on the year.

Shortened sessions in WELLINGTON and SYDNEY left both usefully ahead on the year, with gains of 12.3 per cent and 15.2 per cent respectively. On the day, the New Zealand market pushed the NZSE-40 index up 11.43 to 2,149.82, while the Australian All Ordinaries managed only a 3.0 rise to 2,203.0.

BANGKOK left 1995 with some relief. The SET index, up 9.81 at 1,280.81, was 5.8 per cent down on the year and the exchange calculated that average daily turnover fell by 27.5 per cent compared with 1994.

FT/S&P ACTUARIES WORLD INDICES

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NATIONAL AND REGIONAL MARKETS	THURSDAY DECEMBER 28 1995								WEDNESDAY DECEMBER 27 1995					DOLLAR INDEX		
Figures in parentheses show number of lines of stock	US Dollar Index	Day's Change %	Pound Sterling Index	Yen Index	DM Index	Local Currency Index	Local % chg on day	Gross Div. Yield	US Dollar Index	Pound Sterling Index	Yen Index	DM Index	Local Currency Index	52 week High	52 week Low	Year ago (approx)
Australia (81)	190.10	-0.7	161.11	123.29	141.52	169.64	-0.3	3.95	191.52	161.95	124.42	142.52	170.24	191.88	157.95	175.19
Austria (28)	174.46	0.2	166.21	113.15	129.87	129.79	0.2	1.61	174.16	165.46	113.14	129.59	129.51	199.28	167.48	179.57
Belgium (34)	208.89	0.4	199.01	135.48	155.50	151.55	0.4	3.45	208.16	197.78	135.21	154.87	150.90	208.89	166.52	188.88
Brazil (28)	137.90	-1.2	131.38	89.44	102.66	246.78	-1.0	1.79	139.57	132.60	90.67	103.86	249.33	163.17	96.06	155.92
Canada (101)	147.80	-0.1	140.81	95.86	110.09	145.64	0.0	2.56	147.92	140.53	96.09	110.07	145.60	150.83	121.81	129.31
Denmark (33)	287.88	0.3	274.08	188.59	214.19	216.82	0.3	1.51	288.85	272.52	188.34	213.45	216.21	295.99	246.19	248.00
Finland (25)	186.28	-0.8	177.47	120.82	138.88	170.48	-0.4	1.88	187.75	178.36	121.96	139.70	171.10	278.11	171.13	184.38
France (103)	179.44	0.2	170.85	116.36	138.68	137.82	0.1	2.19	179.19	170.21	116.38	133.31	137.64	191.17	157.79	163.31
Germany (59)	164.99	-0.2	157.19	107.01	122.62	122.82	-0.2	1.96	165.34	157.08	107.41	123.03	123.03	167.74	139.11	141.14
Hong Kong (55)	384.39	0.1	366.22	249.31	286.19	381.54	0.0	3.83	384.14	364.95	249.55	286.85	381.40	389.39	277.40	328.99
Ireland (16)	254.16	0.0	242.16	164.86	189.22	222.84	0.3	3.44	254.09	241.40	165.07	189.08	222.09	260.87	203.21	203.21
Italy (59)	73.62	0.2	70.14	47.75	54.81	87.08	0.3	1.68	73.44	69.78	47.71	54.86	86.77	82.71	65.45	73.45
Japan (483)	158.13	-0.8	147.80	100.62	115.49	100.62	-1.0	0.78	158.42	148.61	101.61	116.40	101.61	164.82	138.95	156.16
Malaysia (108)	483.39	1.1	460.47	313.48	359.81	472.90	1.1	1.74	477.95	454.09	310.50	365.67	467.71	561.96	398.16	479.89
Mexico (18)	1045.06	-0.8	995.62	677.80	777.86	8799.47	-0.3	1.59	1053.88	1001.22	684.62	784.20	8787.45	1435.21	647.81	1292.47
Netherland (19)	272.88	0.0	259.79	176.89	203.00	199.54	0.0	3.27	272.74	259.12	177.18	202.98	199.54	272.74	214.00	214.00
New Zealand (14)	79.31	0.1	75.56	51.44	59.04	64.35	0.0	4.51	79.26	75.30	51.49	58.38	64.33	85.49	69.74	71.57
Norway (33)	230.48	0.6	219.54	149.45	171.54	197.66	0.6	2.12	229.12	217.67	148.84	170.49	196.44	243.79	202.76	210.36
Singapore (44)	402.80	-0.8	383.75	261.25	299.86	262.28	-0.9	1.54	405.86	385.59	263.66	302.02	264.62	414.26	313.94	373.95
South Africa (45)	386.90	-0.3	368.60	250.98	288.02	308.47	-0.4	3.84	387.91	368.53	251.98	288.65	309.57	392.04	281.06	333.40
Spain (36)	164.06	1.8	156.24	106.37	122.08	150.45	1.7	3.98	161.05	153.00	104.62	119.84	147.99	164.81	124.10	129.77
Sweden (47)	311.80	0.1	296.87	202.10	231.97	306.89	0.2	1.96	311.34	295.79	202.26	231.68	306.33	321.99	228.09	228.09
Switzerland (40)	235.99	0.0	224.82	153.05	175.67	168.35	-0.2	1.58	235.96	224.17	153.28	175.58	168.74	235.99	162.35	163.78
Thailand (46)	167.23	-0.8	159.33	108.47	124.60	163.45	-0.7	2.50	168.62	160.20	109.54	125.49	164.66	184.55	130.15	157.52
United Kingdom (206)	230.22	-0.3	219.33	149.32	171.39	219.33	0.0	4.00	230.89	219.35	149.99	171.81	219.35	230.89	191.63	194.14
USA (640)	250.44	-0.1	238.59	162.43	186.43	250.44	-0.1	2.26	250.56	238.04	162.77	186.44	250.56	253.50	187.76	188.45
Americas (787)	228.28	-0.1	217.47	148.05	169.92	191.85	-0.1	2.25	228.41	217.00	149.36	169.95	191.95	230.78	173.81	174.47
Europe (735)	200.87	0.0	191.37	130.28	149.53	169.80	0.1	3.01	200.91	190.87	130.51	149.50	169.68	200.91	167.08	167.51
Nordic (138)	275.10	0.1	262.09	178.42	204.79	233.80	0.2	1.88	274.94	261.20	178.61	204.59	233.39	295.02	221.83	221.88
Pacific Basin (831)	165.26	-0.7	157.45	107.15	123.08	110.89	-0.8	1.18	166.42	158.11	108.11	123.64	111.79	171.87	145.93	162.99
Euro-Pacific (1566)	179.99	-0.4	171.48	116.74	133.99	133.27	-0.4	2.04	180.68	171.65	117.37	134.45	133.81	180.68	154.73	164.77
North America (741)	244.09	-0.1	232.55	158.31	181.71	243.42	-0.1	2.26	244.21	232.01	158.65	181.72	243.53	248.93	184.12	184.79
Europe Ex. UK (529)	180.58	0.1	172.04	117.12	134.43	142.70	0.1	2.45	180.34	171.38	117.15	134.19	142.54	180.58	149.53	149.81
Pacific Ex. Japan (348)	263.32	-0.1	250.78	170.72	195.98	231.81	0.0	3.20	263.44	250.26	171.14	196.03	231.79	268.72	211.19	240.52
World Ex. US (1758)	160.91	-0.4	172.35	117.33	134.67	137.01	-0.4	2.08	161.59	172.52	117.97	135.13	137.55	181.59	155.42	165.79
World Ex. UK (2192)	199.31	-0.2	189.88	129.27	148.37	164.79	-0.3	1.98	199.79	189.80	129.78	148.68	165.24	199.76	163.46	170.18
World Ex. Japan (1915)	228.61	-0.1	217.80	148.27	170.16	213.61	0.0	2.60	228.73	217.31	148.59	170.20	213.64	228.73	161.60	183.29
The World Index (2398)	202.03	-0.2	192.47	131.03	150.39	169.64	-0.2	2.13	202.52	192.40	131.56	150.69	170.06	202.52	165.92	172.27

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CONSTITUENT CHANGES WITH EFFECT 8/1/96: Deletion: West One (USA). Latest prices were unavailable for this edition.

Swiss wake up to find equity market on roll

Ian Rodger on a remarkable year in Zurich

Once again the Swiss stock market has surprised most investors, finishing 1995 as the best performer among the world's major markets.

At Thursday's close, the SMI index of 21 leading shares stood at 3,297.7, just off its record peak and 25.4 per cent higher than at the start of the year. In dollar terms, the key index outpaced US competition with a rise of 43 per cent.

Looking back, the old joke the Swiss tell about themselves seems particularly apt – they may get up early, but they wake up late.

In mid-March, gloom prevailed: every sub-index in the broad market was lower than at the end of 1994, and all the signs seemed to continue to point sideways at best.

An ever strengthening Swiss franc was hurting Swiss exporters, early reports of 1994 results, especially from the big banks, were even worse than expected, and brisk economic recovery elsewhere in Europe made Switzerland's mainly defensive equities look dull.

But the outlook gradually brightened in the spring as interest rates fell and economic recovery in many western countries began to look less robust than had been expected.

"Everybody was surprised at how weak the world economy was, so once again the merits of Swiss defensive stocks came to the fore," says Mr Bernhard Tschanz, head of Swiss brokerage research at Credit Suisse in Zurich.

In the early autumn, the market received two additional external boosts. Investors in many countries, but especially Germany, suddenly became conscious of the approach of the single European currency, now scheduled to come into effect in 1999. Nervousness about the likely stability of the Euro provoked large flows of capital into Swiss franc paper, including equities.

That, in turn, put further upward pressure on the franc, and sent interest rates tumbling. At year-end, the three-month Euromarket rate was only 1.75 per cent and long term government bond yields were at 3.77 per cent. Many investing institutions were forced to shift funds into equities in search of better yields.

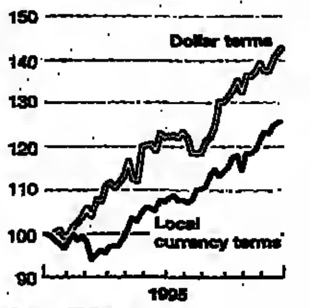
But it would be wrong to attribute the market's advances entirely to external factors. This was also the year when many Swiss companies discovered the notion of focus.

The most dramatic example was Sandoz, the chemicals and pharmaceuticals group, which in June transformed its industrial chemicals division into an independent company, Clariant, and floated it.

Sandoz, which also made clear that it would be selling other peripheral businesses so that it could concentrate on pharmaceuticals and nutrition, was rewarded by seeing its share price rise 52 per cent on the year to SFr1,034.

Switzerland

FT/S&P World Indices



Source: FT Extel

Swiss Reinsurance, which had announced the sale of its primary insurance subsidiaries in September 1994 so that it could focus on reinsurance, introduced other investor friendly measures this year, such as a unified share structure and more timely disclosure of results. Its shares were among the year's best performers, up 69 per cent.

Among the big banks, Swiss Bank Corporation pleased investors most, with a clarified strategy, improved transparency and a rapid rationalisation of its daring £860m acquisition of the UK investment bank S.G. Warburg. SBC shares ended 28.5 per cent up on the year at SFr465.

Another surprise – for some – has been the continued advance of Mr Martin Ebner. The maverick Zurich broker seemed, early in the year, to be bogged down in a debilitating legal battle with UBS.

But his early optimism about the market has again proved correct, and his eccentric policy of concentrating clients' funds on a few high quality shares has paid off. Shares of his Pharma Vision fund, almost exclusively invested in Roche, were up 48 per cent over the year to SFr6,000.

After such a spectacular year, most analysts are normally cautious about prospects. Seen in a European context, the Swiss market again looks relatively expensive. According to Bank Julius Baer in Zurich, the market is on 14.6 times forecast 1996 earnings, a level exceeded only in Germany. "We are getting quite cautious," says Mr Markus Rofgen at Morgan Stanley in London, where a recommendation to underweight the Swiss market has been issued.

Mr Rofgen says the prices of European defensive stocks, such as pharmaceuticals and food issues, are now roughly double those of cyclical stocks.

Mr Markus Hansen at ABN Amro Hoare Govett in London also suspects it is time to move to cyclicals. "We have moved Switzerland to neutral, but we are still quite positive. I think we will see good earnings from the blue chips," he says.

Mr Pierre Tissot, head of brokerage research at the Geneva bankers Lombard Odier, agrees that profits performance will be decisive in 1996. But he is sceptical about an early shift away from defensive stocks. "Look at the reaction to Nokia's profits warning. A lot of investors will decide that it is better to have a little growth than go for a big potential with a big risk."

And what of Mr Ebner? He is still bullish, claiming that the combination of low inflation and easing monetary conditions in most western countries is creating the best conditions for industrial companies seen in 30 years.

LONDON EQUITIES

LIFFE EQUITY OPTIONS

Option		Calls Jan	Calls Apr	Calls Jul	Puts Jan	Puts Apr	Puts Jul
ASDA	110	4	9	12	3½	8	9
(*110½)	120	1	5	8	10	13½	15
Allied Domecq	500	28	43½	58	1½	9½	16½
(*523)	550	2½	16½	24	26	33	42
Argyll	330	14	20½	32	8	10½	17
(*340)	360	1½	12½	17½	21	28½	33½
BAA	460	27½	41	47½	1	6½	12½
(*485)	500	3½	17½	26	17	24	30
Bass	700	25	46½	58½	5½	17	25
(*718½)	750	3	22	32½	34	43	50
Boots	550	37½	52½	61	1	7	18
(*585½)	600	5	21½	31	16½	28	38½
Brit Airways	460	18	29½	35½	8	14	22
(*468)	500	1	11	18	34½	37½	45
BP	500	40	48	55	-	5½	19
(*536½)	550	4½	17	25½	14½	25½	31
British Steel	160	8	12½	16	2½	7	12
(*163)	180	-	4½	7½	17	19	24½
Cable & Wire	420	41	54½	63	½	7	14½
(*459½)	460	11	30	39½	10	21½	30
Comm Union	500	34	49½	56½	3	19½	25
(*530)	550	5½	21½	21½	24½	40½	52
Courtaulds	390	19½	33	39	2	9	16½
(*405½)	420	3½	17	23	16	23	32
Glaxo	900	20½	49½	65½	5½	33½	42
(*914½)	950	5½	23	43	38	62	70
HSBC 75p	1000	28	58½	72½	16½	52	62½
(*1005½)	1050	7½	34½	51½	48½	82	91½
ICI	750	21½	37	49½	7½	30	36½
(*762)	800	3	15	27½	40	62	67
Kingfisher	500	43½	58½	61½	½	5½	17½
(*541½)	550	7½	25½	32	10½	31½	40½
Land Secur	500	22	33½	45½	2	9½	31
(*518½)	550	1	12½	19	32	35½	49
Marks & S	420	37½	42	47½	½	4	10
(*450)	460	4	17	23½	18	19½	27
NatWest	600	61	[illegible]	[illegible]	½	13½	21½
(*648½)	650	13½	28½	41	12½	36	44
PowerGen	500	36½	52	58½	1	7½	14½
(*533)	550	8	23	30½	20	26½	37½
Reuters	550	42	57	66	1	11	19
(*589½)	600	8½	27	36½	17	34½	41
Royal Insce	360	35½	36½	43½	1	15	20½
(*383)	390	7½	22½	28½	11½	31	36
Sainsbury	360	6½	22	27½	5	12½	18½
(*363)	390	½	9	14½	27	30½	37
Shell Trans.	850	12	30	38½	10	23	33
(*851)	900	½	9½	18½	48½	61½	65½
SmKl Bchm A	700	19½	46	55½	7	22½	30½
(*710)	750	2½	17	21½	41	51½	65½
Std Chartd	500	50½	72½	86	½	18½	27½
(*548)	550	17½	41	[illegible]	16½	49	50½
Storehouse	330	9½	20	27½	8	12½	18
(*332)	360	1	8	14½	28½	31	35
Thames Wtr	550	15	39½	47	8	15½	30½
(*561½)	600	2	17½	24	39	44	60½
Trafalgar	22	4½	5	10	1	3	4½
(*26)	30	2	6	8	3½	8	7½
Unilever	1300	32	68½	73½	6½	36	36
(*1322½)	1350	6½	31	47½	32	56½	85
Zeneca	1200	60	88½	112	0	38	51½
(*1245½)	1250	22½	65	80	22½	61½	74½
Option		Feb	May	-	Feb	May	-
Eastern Elec	950	24½	34½	-	½	6½	-
(*972½)	1000	½	8½	-	35½	34½	-
Option		Feb	May	Aug	Feb	May	Aug
BAT Inds	550	32	48	48	10½	23½	32
(*567)	600	9½	17½	26	38	53	68½
BTR	300	31½	34	38½	1	5	7
(*328)	330	10	15	28½	9	17½	20
Brit Aero	750	63½	77½	97	8½	20½	28½
(*797½)	800	32½	55	66	28½	41½	51½
Brit Telecom	330	28	37	44	2½	4½	9½
(*354)	360	9½	18½	28½	13	15½	22½
Cadbury Sch	500	43½	48	58½	8	18	23
(*531½)	550	16	28½	34	28	43	48
GEC	330	28½	37½	41½	2	5½	11½
(*355)	360	9½	18½	22½	14	16½	24½

Option		Calls Feb	Calls May	Calls Aug	Puts Feb	Puts May	Puts Aug
Grand Met	460	13½	26	36	18	24½	31½
(*463)	500	3	12	20½	49	52	56½
Guinness	460	24	32	36½	6½	17	21½
(*472)	500	6½	13½	20	36	40½	44
Hanson	191	7½	-	-	8	-	-
(*192)	211	1	-	-	21½	-	-
Lasmo	160	10	21½	26½	1½	4½	7
(*175)	180	8	10½	16½	9	12½	15½
Ladbroke	140	14	18	22½	8	12	14½
(*146½)	160	5½	10	14½	17½	23½	26
Lucas Inds	180	8½	13½	17½	8	10	12
(*180½)	200	2	6	8½	23	22½	24
P & O	460	28	36	41	8	19½	25½
(*476)	500	8	16	22½	29	45	49½
Pilkington	191	15½	21½	26½	3	5	9
(*202)	210	5½	11	15½	12½	13½	18½
Prudential	390	33½	37½	47½	6½	13½	20½
(*414½)	420	16½	28½	32	17½	28½	35
RTZ	900	61	63	78½	9	24½	31½
(*936)	950	21	36	61½	28½	48½	55½
Redland	360	34½	42½	46	3	17	13½
(*386)	390	15	24	29	13½	24½	27½
Rolls-Royce	180	18	18½	37½	3½	8	10½
(*187)	200	3½	7½	12½	14½	19	21
Tesco	280	22½	27½	31½	3	8	10½
(*297)	300	10	15	20½	10½	17	23
Utd Biscuits	240	21½	26	29½	4	9	12
(*255½)	260	10	15	19	11½	19½	22
Vodafone	220	18½	15	30	3	8½	11½
(*230½)	240	8	14½	18	14½	18½	21
Williams	300	31	36½	37½	1	5	7
(*327½)	330	9½	16½	18	9	17½	19½
Option		Mar	Jun	Sep	Mar	Jun	Sep
Abbey Natl	600	63	60½	80	15½	23½	21½
(*630)	650	23½	34½	44½	41	49	55½
Amstrad	180	28	34	38	8	8½	10
(*196)	200	15½	26½	23	14	17½	19
Barclays	700	57	65½	74½	15	22	30½
(*741)	750	38	30½	48½	38½	46½	54½
Blue Circle	330	29½	24½	35½	9	10½	21½
(*341½)	360	11½	15	32	25	35	38
British Gas	240	23½	26½	29½	6	11½	18½
(*254)	260	12	18	19	14½	21½	32
Dixons	420	36½	50½	57	18½	15	26½
(*445½)	460	17½	28½	36½	29½	30½	39½
Fisons	260	5½	5½	-	½	0½	-
(*265)	280	-	-	-	15	19	-
Forte	330	18	22	27	10	18	17
(*350½)	360	6½	10½	14½	39½	37½	35½
Hillsdown	160	14	15½	17½	3½	8	10½
(*168½)	180	4½	6½	9	14	20½	22½
Lonrho	160	18	23	24½	2	4	7
(*176)	180	6½	11½	13½	10½	12½	18
Natl Power	420	41	53	56	4	13	15½
(*450)	460	16½	30	30½	18½	30½	34
Scot Power	360	18	27	32	10½	13½	15½
(*368½)	390	6½	13	17½	28½	31	36
Sears	100	7½	9½	11	2½	4½	5½
(*104)	110	2½	4½	6½	7½	10	11
LloydsTSB	322	21	27	-	10½	17½	-
(*333)	352	7	14	-	23	37	-
Tarmac	100	6½	12	14	5	7½	10
(*102½)	110	4	7	10	10½	13½	18
Thorn EMI	1500	66½	105½	125	42½	57	72
(*1516½)	1600	30	66½	78	105	113	127
Tomkins	280	13	21	25	11½	15	18½
(*281½)	300	5½	12½	16	23½	26½	30

* Underlying security price. Premiums shown are based on settlement prices.
December 29 Total contracts, Equity and Index options: 14,481 Calls: 7,869 Puts: 6,612

FT GOLD MINES INDEX

	Dec 29	% chg on day	Dec 27	Year ago	Gross div yield %	P/E ratio	52 week High	52 week Low
Gold Mines Index (34)	1906.88	-0.3	1918.54	1967.37	1.78	-	2063.66	1637.91
† Regional Indices								
Africa (16)	2510.36	-0.4	2521.15	3122.01	3.89	26.39	3191.21	2272.74
Australasia (6)	2345.59	-1.4	2378.07	2498.18	2.12	36.78	2607.57	1798.20
North America (12)	1578.38	-0.1	1580.01	1585.91	0.80	49.80	1831.00	1348.18

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RISES AND FALLS

	On Friday Rises	On Friday Falls	On Friday Same	On the week Rises	On the week Falls	On the week Same
British Funds	9	41	21	91	61	81
Other Fixed Interest	0	0	14	5	6	29
Mineral Extraction	43	25	159	148	182	351
General Manufacturers	166	57	437	462	228	1,273
Consumer Goods	36	30	157	138	98	433
Services	109	59	369	339	186	1,086
Utilities	23	17	14	63	47	52
Financials	74	39	287	250	235	716
Investment Trusts	66	35	466	327	182	1,278
Others	49	26	65	120	133	168
Totals	605	329	1,981	1,963	1,370	5,449

Data based on those companies listed on the London Share Service.

TRADITIONAL OPTIONS

First Dealings	Dec. 18	Expiry	March 21
Last Dealings	Jan. 5	Settlement	March 28

Calls: Tullow Oil, MAID Puts & Calls: MR Data

LONDON RECENT ISSUES: EQUITIES

Issue price p	Amt paid up	Mkt. cap (£m.)	1995 High	1995 Low	Stock	Close price p	+/-	Net div.	Div. cov.	Grs yld	P/E net
-	F.P.	24.0	29	23	Cash Converters	24		Mv2.6	5.1	13.5	18.0
-	F.P.	23.4	125	116	Century Inns	117		-	-	-	-
-	F.P.	12.2	510	500	†Com de Part Fin	310		-	-	-	-
150	F.P.	72.1	160	149½	Cortworth	131	-1	Rv5.8	2.1	4.6	12.4
-	F.P.	54.8	112	108	Cox Insurance	111		-	-	-	-
-	F.P.	14.0	60	52	†Crown Products	53		-	-	-	-
-	F.P.	14.1	90	75	†Dmatek	73		-	-	-	-
100	F.P.	27.3	103	98	Finsbury Tech	103		-	-	-	-
200	F.P.	21.6	203	198	Gearhouse	200	+1	Lv4.4	3.5	2.8	13.1
-	F.P.	13.5	28	23	†Manx & O'seas	23	-2	-	-	-	-
204	F.P.	3,373.5	214½	198	National Grid	199½		Wv11.23	2.3	7.0	9.0
-	F.P.	8.59	78	75	†Nthn Petlm	75		-	-	-	-
-	F.P.	0.13	8	8	†Do Wrnts	9		-	-	-	-
-	F.P.	82.7	382	345	†Pet City	382		-	-	-	-
-	F.P.	25.0	152	124	†Polymasc Pharms	125	-2	-	-	-	-
-	F.P.	1.07	105	100	†Revelation P'dilly	100		-	-	-	-
-	F.P.	3.15	3½	3	†Rushmere Wynne	3½		-	-	-	-
133	F.P.	45.9	137	133	Unicorn Intl	137	+3	Wv5.5	2.2	5.0	11.4
-	F.P.	173.2	251	213	Victrex	250	+5	Lv3.6	2.4	1.6	29.2
-	F.P.	3.90	135	125	†Viewinn	130		-	-	-	-
-	F.P.	47.8	68	56	Wilmington	67		v-	-	-	31.5

† Alternative Investment Market. For a full explanation of all other symbols please refer to The London Share Service notes.

RIGHTS OFFERS

Issue price p	Amount paid up	Latest Renun. date	1995 High	1995 Low	Stock	Closing price p	+or-
tr10p	Nil	5/1	3pm	1½pm	Dunloe House	1½pm	
34	Nil	2/1	8½pm	4½pm	Melrose	5¾pm	-¼
150	Nil	19/1	23pm	22pm	Westbury	23pm	

pm premium.

FINANCIAL TIMES EQUITY INDICES

	Dec 29	Dec 28	Dec 27	Dec 22	Dec 21	Yr ago	*High	*Low
Ordinary Share	2690.1	2678.7	2674.1	2660.5	2641.8	2360.9	2690.1	2238.3
Ord. div. yield	4.03	4.05	4.05	4.07	4.10	4.43	4.73	4.02
P/E ratio net	15.95	15.89	15.86	15.79	15.67	17.61	21.33	15.35
P/E ratio nil	15.75	15.69	15.66	15.59	15.48	17.23	22.21	15.17

*For 1995. Ordinary Share index since compilation: high 2713.6 2/02/94; low 49.4 26/6/40
FT Ordinary Share index base date 1/7/35.

Ordinary Share hourly changes

Open	9.00	10.00	11.00	12.00	13.00	14.00	15.00	16.00	High	Low
2679.8	2678.3	2681.6	2686.3	2689.0	-	-	-	-	2690.2	2677.6

	Dec 29	Dec 28	Dec 27	Dec 22	Dec 21	Yr ago
SEAQ bargains	11,096	16,094	16,430	13,898	23,758	11,651
Equity turnover (£m)†	-	840.0	790.5	929.0	1794.9	596.8
Equity bargains†	-	20,354	18,761	17,815	28,705	10,903
Shares traded (mil)†	-	323.3	267.7	351.7	658.5	222.5

†Excluding intra-market business and overseas turnover.

LONDON STOCK EXCHANGE: Dealings

Details of business done shown below have been taken with consent from last Thursday's Stock Exchange Official List and should not be reproduced without permission.

Details relate to those securities not included in the FT Share Information Services.

Unless otherwise indicated prices are in pence. The prices are those at which the business was done in the 24 hours up to 5 pm on Thursday and settled through the Stock Exchange Talisman system, they are not in order of execution but in ascending order which denotes the day's highest and lowest dealings.

For those securities in which no business was recorded in Thursday's Official List the latest recorded business in the two previous days is given with the relevant date.

‡ Bargains at special prices. ϕ Bargains done the previous day.

British Funds, etc

Treasury 13¾% Stk 2000/03 - £126 5/16
Exchequer 10½% Stk 2005 - £120½ (27De95)

Corporation and County Stocks

Dudley Metropolitan Borough Council7% Ln Stk 2019 (Reg)(F/P) - £95.65 (22De95)

UK Public Boards

Port of London Authority 3% Port of London A Stk 29/99 - £88 (27De95)

Foreign Stocks, Bonds, etc-(coupons payable in London)

Abbey National Treasury Servs PLC 5% Gtd Nts 1997 (BrSVarious) - $99¼ϕ
Abbey National Treasury Servs PLC 6% Gtd Nts 1999(BrC1000,10000,100000) - C97ϕ
Abbey National Treasury Servs PLC 8% Gtd Bds 2003 (Br £ Var) - C100⅝ 1⅛ (27De95)
Barclays Bank PLC 6.5% Nts 2004(BrCVarious) - C92.3
Barclays Bank PLC 7.875% Undated Subord Nts (Br £ Var) - £97⅞ (27De95)
British Gas PLC 8⅛% Bds 2003 (Br £ Var) - C101 11/16ϕ
Burmah Castrol Capital(Jersey) Ld 9½% Cnv Cap Bds 2006 (Reg £1000) - £151
Burmah Castrol Capital(Jersey) Ld 9½% Cnv Cap Bds 2006(BrC5000&50000) - £151 (27De95)
Cheltenham & Gloucester PLC 11⅛% Perp.Subord Bds (Reg £50000) - £127⅞
Depfa Finance N.V. 7⅛% Gtd Bds 2003 (Br £ Var) - £96.3
Dixons Group (Capital) PLC 6¾% Cnv Gtd Bds 2002 (BrC5000&50000) - £120 (27De95)
Finland(Republic of) 10⅛% Bds 2008(BrC1000&10000) - £114 1/16
Glaxo Wellcome PLC 6¾% Bds 2005(BrC Vars) - £104⅛
HSBC Holdings PLC 9⅞% Subord Bds 2018 (Br £ Var) - £106 11/16 (27De95)
Halifax Building Society 8¾% Nts 1997 (BrCVar) - C103⅛ (27De95)
Hanson PLC 9½% Cnv Subord 2006 (Br £Var) - £100¼ (27De95)
Hanson PLC 10⅜% Bds 1997 (Br £Var) - £105.8 (27De95)
Land Securities PLC 9⅜% Cnv Bds 2004 (BrC5000&50000) - £112½ (22De95)
Land Securities PLC 10¾% Exchange Bds 2004(BrC) - £112½ (22De95)
Lloyds Bank PLC 7⅞% Subord Bds 2004(BrCVarious) - £95.45ϕ ⅞ϕ
Lonrho Finance PLC 6% Gtd Cnv Bds 2004(BrCVars) - £98¼ϕ
National Westminster Bank PLC 11½% Und-SubNts £1000(Cnv to PrfReg - £112½ϕ
National Westminster Bank PLC 11½% Und-SubNts £1000(Cnv to PrfBr - £112½ϕ
Robert Fleming Intl Finance Ld 9¼% Perp Subord Gtd Nts (Br £ Var) - £98⅞ (22De95)
Royal Bank of Scotland PLC 9½% Undated Subord Bds (Br £ Var) - £1.02
Sainsbury(J) PLC 8.25% Nts 2000(BrC Vars) - C104⅛ϕ
Sainsbury (J.)(Channel Islands)Ld 8½%CnvCapBds 2005(Br £5000&100000) - C119¼
Samanoor Overseas Financing Co Ld 7% Gtd Cnv Bds 2004(BrC5000&10000) - $97 (27De95)
SEEBOARD PLC 8½% Bds 2005(Br £ Var) - £100½
Societe Generale 7.875% Perp Subord Nts (Br £ Var) - £97
Tarmac Finance (Jersey) Ld 9½% Cnv Cap Bds 2006 (Reg £1000) - £97
Tarmac Finance (Jersey) Ld 9½% Cnv Cap Bds 2006(BrC5000&50000) - £94¾ (27De95)
Tate&Lyle IntFin PLC/Tate&Lyle PLC 5¾% T&LIntFnGdBds 2001(Br) W/Wts T&LPLC - £85½
Tesco PLC 8¾% Bds 2003(BrCVars)(FyPd) - £104.95 (22De95)
Thames Water PLC 9½% CnvSubordBds 2006(BrC5000&50000) - £132 (27De95)
Woolwich Building Society 10⅛% Subord Nts 2017 (Br £ Var) - £110¾
Abbey National Treasury Servs PLC PTE3,650m 1.5% Nts 5/11/98 - PE94⅛ (22De95)
Abbey National Treasury Servs PLC ESC5000m FRN 12/9/97 - PE88.78 (22De95)
Abbey National Treasury Servs PLC PTE3500m 3% Nts 6/10/97 - PE90 (22De95)
Sweden(Kingdom of) ECU100m 7¼% Nts 2000 - EC103.65
Swiss Bank Corporation C250m 8.75% Subord Bds 20/6/2005 - C104⅜ϕ

Sterling issues by Overseas Borrowers

Hydro-Quebec 12.75% Ln Stk 2015 - £135½
International Bank for Rec & Dev 11.5% Ln Stk 2003 - £123.3
Ireland 12½% Ln Stk 2006(Reg) - £134⅞ (22De95)
New Zealand 11⅛% Stk 2008(Reg) - £0.000001 (27De95)
Petroleos Mexicanos 14½% Ln Stk 2006 - £108 (27De95)
Portugal(Rep of) 9% Ln Stk 2016(Reg) - £105.8 (22De95)

Listed Companies(excluding Investment Trusts)

Abbey National PLC 10⅜% Non-Cum Sterling Prf - 112¼
Albert Fisher Group PLC ADR (10:1) - $7.4
Alexon Group PLC 8.25p (Net) Cnv Cum Red Prf 10p - 70
Allied Domecq PLC ADR (1:1) - $8
Allied Domecq PLC 5½% Cum Prf £1 - 80 (27De95)
Allied Domecq PLC 7½% Cum Prf £1 - 81
Allied Domecq PLC 11¼% Deb Stk 2009 - £130 (27De95)
Allied Domecq PLC 5¼% Uns Ln Stk - £59
Allied Domecq PLC 7¼% Uns Ln Stk 93/98 - £99¾ 100 (27De95)
Allied Domecq Financial Servs PLC 8¾% GtdCnvSubordBds2008 RegMultc£1000 - £89¼ ½ ¾ 100
American Brands Inc Shs of Com Stk $3.125 - $44¾ (22De95)
Aminex PLC ORD Kr20.05 - 50 50
Andrews Sykes Group PLC Cnv Prf 50p - 66 (27De95)
Anglovaal Ld N Ord R0.0001 - £26 (27De95)
Automated Security(Hldgs) PLC 5% Cnv Cum Red Prf £1 - 47 (27De95)
Automated Security(Hldgs) PLC 8% Cnv Cum Red Prf £1 - 46½
BET PLC ADR (4:1) - $7.6247 (27De95)
BOC Group PLC ADR (1:1) - $13.8 (27De95)
BTP PLC 7.5p(Net) Cnv Cum Red Prf 10p - 172
BTR PLC ADR (4:1) - $19.65 (27De95)
Bailey(C.H.) PLC "B" Ord 10p - 24 (27De95)
Banner Homes Group PLC Ord 10p - 56
Barclays Bank PLC 16% Uns Cap Ln Stk 2002/07 - £142⅞ 3¼
Bardon Group PLC 7.25p (Net) Cnv Red Prf 25p - 80
Bardon Group PLC 11.25p Cum Red Prf 2005 10p - 108½ϕ
Barr & Wallace Arnold Trust PLC Ord 25p - 216ϕ
Bass PLC ADR (2:1) - $21¼ϕ
Bass PLC 7¾% Uns Ln Stk 92/97 - £99½ϕ
Bergesen d-y AS "B" Non Vtg Shs NK2.5 - NK124 .67
Birmingham Midshires Building Soc 9⅜% Perm Int Bearing Shs £1000 - C100⅞ 1
Blue Circle Industries PLC ADR (1:1) - $5.2
Boots Co PLC ADR (2:1) - $18½
Bradford & Bingley Building Society11⅝% Perm Int Bearing Shs £10000 - £122¼ (27De95)
Bradford & Bingley Building Society13% Perm Int Bearing Shs £10000 - £137⅞
Bradford Property Trust PLC 10½% Cum Prf £1 - 122 (27De95)
Brent Walker Group PLC 8.5% 3rd Non-Cum Cnv Red 2007/10 £1 - 0⅞ 1 (27De95)
Bristol Water PLC 6¾% Cum Irrd Prf £1 - 118 (22De95)
Bristol Water Hldgs PLC Ord £1 - £12.1
Bristol & West Building Society 13⅜% Perm Int Bearing Shs £1000 - £141¼ ½ (27De95)
Britannia Building Society 13% Perm Int Bearing Shs £1000 - £136 ¼ (22De95)
British Airways PLC ADR (10:1) - $46.2578 $ 72.15
British & American Film Hldgs PLC Ord Stk 5p - £10.85 (22De95)
British Land Co PLC 6% Subord Irrd Cnv Bds(Reg) - £86¼ .29 ½
British Land Co PLC 11⅛% First Mtg Deb Stk 2019/24 - £127¼ϕ
British Steel PLC ADR (10:1) - £16.443 16.538 $ 25½
British Sugar PLC 10¾% Red Deb Stk 2013 - £122 (22De95)
Brunel Holdings PLC 4.5p (Net) Cnv Cum Red Prf 20p - 58.47 ½ 9
Bulgin(A.F.) & Co PLC Ord Shs 5p - 47
Bulmer(H.P.)Hldgs PLC 6¾% 2nd Cum Prf £1 - 112½ (27De95)
Burmah Castrol PLC 7¼% Cum Red Prf £1 - 79
Burmah Castrol PLC 6% Cum Prf £1 - 83 (22De95)
Burton Group PLC 8% Cnv Uns Ln Stk 1996/2001 - £95 (27De95)
Carlton Communications PLC ADR (2:1) - $30⅛
Carlton Communications PLC 7½% Cnv Subord Bds 2007(Reg £5000) - £142 (27De95)
Caterpillar Inc Shs of Com Stk $1 - $59⅛
Cathay International Hldgs PLC 10½% Cum Prf £1 - 116 7 (22De95)
Cemex Corporation Shs of Com Stk $0.25 - $34½ (22De95)
Coats Patons PLC 6¾% Uns Ln Stk 2002/07 - £97½ 6 (22De95)
Coats Viyella PLC 4.8% Cum Prf £1 - 67
Commercial Union PLC 8⅛% Cum Irrd Prf £1 - 113¼
Commercial Union PLC 8¾% Cum Irrd Prf £1 - 115½
Co-Operative Bank PLC 9.25% Non-Cum Irrd Prf £1 - 109¼ϕ
Cooper (Frederick) PLC 6.5p (Net) Cnv Red Cum Prg Prf 10p - 76
Coralient PLC ADR (3:1) - $2.7 $ 4.05
Coventry Building Society 12⅛% Perm Interest Bearing Shs £1000 - C128ϕ
Craig & Rose PLC 5% Cum Prf Stk £1 - 50 (22De95)
Daily Mail & General Trust PLC Ord 50p - £12.55
De Beers Consolidated Mines Ld 8% Cum 2nd Prf R1 - R0.19 (22De95)
Debenhams PLC 7¼% 2nd Deb Stk 91/96 - £99½ (22De95)
Dewhurst PLC Ord 10p - 83
Dixons Group PLC ADR (3:1) - $21.18
Bidos PLC Ord 10p - 870 85
Emesa PLC 8.25p(Net) Cnv Cum Red Prf 5p - 71
Ericsson(L.M.)(Telefonaktiebolaget)Ord SK2.5 Ser"B" (Reg) - SF20.179 SK128 .1 .4 ½ ½ ¾ 9 9 ¼ .43 ½ ½ .81 .83 .78 .8 .803 .81 2
Euro Disney S.C.A. Shs FR5 (Depository Receipts) - 150 1 2 7 8
Euro Disney S.C.A. Shs FR5 (BP) - $2.285 FR11¼ .35 .4 .43 .55 .65
Eurotunnel PLC/Eurotunnel SA Units (Sicovam Inscribed) - FR6¾ .78 .8 .82 .824 .34 .9 .95 8
Falcon Holdings PLC Ord 5p - 115 (27De95)
First National Building Society 11¾% Perm Int Bearing Shs £10000 - £116½ (22De95)
Five Oaks Investments PLC 7% 2nd Cum Prf £1 - 55 (27De95)
Fortnum & Mason PLC Ord Stk £1 - £73ϕ
Fortnum & Mason PLC 7% Cum Prf Stk £1 - 77 (22De95)
Friendly Hotels PLC 5% Cnv Cum Red Prf £1 - 96
Friendly Hotels PLC 7% Cnv Cum Red Prf £1 - 69 (22De95)
GKN PLC ADR (1:1) - $11¾ 12⅛ (27De95)
General Accident PLC 7⅞% Cum Irrd Prf £1 - 106¼
General Accident PLC 8⅞% Cum Irrd Prf £1 - 116
General Electric Co PLC ADR (1:1) - $5½
Gibbs & Dandy PLC Ord 10p - 92
Grand Metropolitan PLC 6¼% Cum Prf £1 - 86
Great Universal Stores PLC 5⅜% Red Uns Ln Stk - £63½ (27De95)
Greenalls Group PLC 7% Cnv Subord Bds 2003 (Reg) - £134½ .57 5 ¼ ½ .57 ¾
Greenalls Group PLC 7% Cnv Subord Bds 2008 (Br) - £130ϕ
Guinness PLC ADR (5:1) - $96.86
HSBC Hldgs PLC Ord SH10 (Hong Kong Reg) - SH115.2249 .476 6 .47906 .51605 .8 7 .19071
HSBC Hldgs PLC 11.88% Subord Bds 2002 (Reg) - C117
HSBC Hldgs PLC 11.88% Subord Bds 2002 (Br £Var) - C117.1 (27De95)
Hardys & Hansons PLC Ord 5p - 297ϕ
Hasbro Inc Shs of Com Stk $0.50 - $30¼ (22De95)
Hasbro Inc Shs of Com Stk of NPV - $57⅞ (22De95)
Hercules Inc Shs of Com Stk of NPV - $57⅞ (22De95)
Hillsdown Hldgs PLC ADR(4:1) - $10.56
Housing Finance Corporation Ld 11½% Deb Stk 2018 - £122⅛
IS Himalayan Fund NV Ord FL0.01 - $12 (27De95)
Iceland Group PLC Cnv Cum Red Prf 20p - 115 8 8 (27De95)
Industrial Control Services Grp PLCOrd 10p - 107 7
Irish Life PLC Ord Ir0.10 - 245 8 9
Johnson & Firth Brown PLC 11.05% Cum Prf £1 - 111 (22De95)
Kenning Motor Group PLC 3.85% (Fmly 5½%) Cum Prf £1 - 83 (22De95)
Kingfisher PLC ADR (2:1) - $16.72
Korea-Europe Fund Ld SHS(DR to Br) $0.10 (Cpn 8) - £4000ϕ
Kvaerner A.S. A Shs NK12.50 - NK226.67 .78 30.11 ¼
Land Securities PLC 9% 1st Mtg Deb Stk 96/2001 - £100½ (27De95)
Leeds & Holbeck Building Society 13⅜% Perm Int Bearing Shs £1000 - £140½ (22De95)
Lex Service PLC 6½% Cum Prf £1 - 83
London International Group PLC ADR (5:1) - $9.84 (27De95)
London Park Hotels PLC 10½% 1st Mtg Deb Stk 2000/05 - £103
Lonrho PLC ADR (1:1) - $2.72 .72 .73 (27De95)
Lonrho PLC 10¼% 1st Mtg Deb Stk 97/2002 - £105
Lookers PLC 8% Cnv Cum Red Prf £1 - 100
MEPC PLC 6¾% 1st Mtg Deb Stk 97/2002 - £102¾ (22De95)
MEPC PLC 10½% Uns Ln Stk 2032 - £118 (27De95)
McCarthy & Stone PLC 8.75% Cum Red Prf 2003 £1 - 87
Malacca Fund (Cayman) Ld Ptg Shs $0.01 - $14⅞
Marks & Spencer PLC ADR (5:1) - $41.18
Marley PLC 11⅞% Deb Stk 2009 - £123½ (22De95)
Medeva PLC ADR (4:1) - $16¼
Morgan Sindall PLC 5.625% Cnv Cum Red Prf £1 - 69
NFC PLC 7¾% Cnv Bds 2007(Reg) - £91¼ 2 .05
National Westminster Bank PLC 9% Non-Cum Stg Prf Sers "A" £1 - 117½ 8¼
Northern Foods PLC 6¾% Cnv Subord Bds 2008 (Reg) - £87¼
Northern Foods PLC 6¾% Cnv Subord Bds 2008 (Br £ Var) - £85 (27De95)
Northern Rock Building Society 12⅝% Perm Int Bearing Shs £1000 - £137ϕ
Orbis PLC Ord 10p - 29 31
Oryx International Growth Fund Ld Wts to sub for Ord - 41
Parkland Group PLC Ord 25p - 195 7
Pearson PLC 13.625% Uns Ln Stk 2007 - £138¾ (22De95)
Peel Hldgs PLC 5.25% (Net) Cnv Cum Non-Vtg Prf £1 - 117 (27De95)
Perkins Foods PLC 8p(Net) Cum Cnv Red Prf 10p - 87.33
Petrofina S.A. Ord Shs NPV (Br in Denom 1,5 & 10) - BF5997½ 9031.187868 45.6 6 50 4.6 71.23 90 2.57 102
Plantation & General Invs PLC 9½% Cum Red Prf £1 - 85 (27De95)
Porphyrd (C.P.) Co Ld Shs $0.05 (Hong Kong Registered) - SH3.15ϕ
Portsmouth&Sunderland Newspa-persPLC11.5% 2nd Cum Prf £1 - 130 (22De95)
Pongleesrust Platinums Ld Ord R0.025 - 96 (27De95)
Queens Moat Houses PLC 10¼% 1st Mtg Deb Stk 2020 - £98½ϕ
RTZ Corporation PLC 3.326% "A" Cum Prf £1 - 53ϕ
Rank Organisation PLC ADR (2:1) - $14.2 (27De95)
Reckitt & Colman PLC 5% Cum Prf £1 - 58 (27De95)
Renold PLC 6% Cum Prf Stk £1 - 50 (27De95)
Retail Corporation PLC 4.55% (Fmly 6½%) Cum 3rd Prf C1 - 87 (22De95)
Ronson PLC Ord 5p - 57 (27De95)
Ropner PLC 11½% Cum Prf C1 - 118 (22De95)
SCEcorp Shs of Com Stk of NPV - $17⅞
Sainsbury(J) PLC ADR (4:1) - $24.15
Scholl PLC 5¼% Cnv Cum Red Prf 2005/11 C1 - 88 (22De95)
Schroder Japanese Warrant Fund Ld IDR (In Denom 100 Shs & 10000 Shs) - $55
Severn River Crossing PLC 6% Index-Linked Deb Stk 2012 (8.868%) - C122¼
Shell Transport&TradingCo PLC Ord Shs 25p (Br)(Cpn 195) - 852 (22De95)
Shield Group PLC Ord 5p - 4½ (27De95)
Shoprite Group PLC Ord 5p - 6 7 ½
Signet Group PLC ADR (3:1) - $0.725 0⅞ (27De95)
Singer & Friedlander Group PLC 8.5% Cnv Subord Uns Ln Stk 2009/14 - £135½ (27De95)
Skipton Building Society 12⅞% Perm Int Bearing Shs £1000 - £138¼
SmithKline Beecham PLC ADR (5:1) - $55.02ϕ
SmithKline Beecham PLC/SmithKline ADR (5:1) - $54⅞ .24
Stag Group PLC 11% Cum Prf £1 - 65 (27De95)
Symonds Engineering PLC Ord 5p - 44
TSB Group PLC 10⅝% Subord Ln Stk 2008 - £117½
TT Group PLC 10.875% Cnv Cum Red Prf Shs £1 1997 - 303 (22De95)
Tate & Lyle PLC 8½%(4.55% plus tax credit)Cum Prf £1 - 70 (22De95)
Tesco PLC ADR (1:1) - $4.58
Tesco PLC 4% Uns Deep Disc Ln Stk 2006 - £72
Thai Prime Fund Ld Ptg Red Prf $0.01 - $15.8
THORN EMI PLC ADR (1:1) - $23½ (27De95)
Trafalgar House PLC 8½% Uns Ln Stk 2000/05 - £88 (22De95)
Transport Development Group PLC 9¼% Uns Ln Stk 95/2000 - £99¾ (22De95)
Unilever PLC ADR (4:1) - $82.3ϕ
Unisys Corp Com Stk $0.01 - $5.9 (27De95)
Vickers PLC 5% Cum(Tax Free To 30p)Prf Stk £1 - 69
Vodafone Group PLC ADR(10:1) - $94¼ ¼ ⅜
Wagon Industrial Hldgs PLC 7.25p (Net) Cnv Ptg Prf 10p - 133 (27De95)
Warburg (S.G.) Group PLC 7⅞% Cum Prf C1 - 100½
Watmoughs(Hldgs) PLC 8¼% Cum Red Prf 2006 £1 - 106 (27De95)
Whitbread PLC 7¼% Uns Ln Stk 96/98 - £99½
Whitecroft PLC 5.1% Cum Prf £1 - 62½
Yorkshire-Tyne Tees TV Hldgs PLC Wts to sub for Ord - 481

Investment Trusts

American Opportunity Trust PLC Zero Cpn Cnv Uns Ln Stk 96/99 - £173
BZW Endowment Fund Ld Redeemable Ord 1p - 119 20
Baillie Gifford Shin Nippon PLC Warrants to sub for Ord - 83 (27De95)
Baillie Gifford Shin Nippon PLC Warrants to sub for Ord 2005 - 51.9
Bankers Investment Trust PLC 10½% Deb Stk 2016 - £120
Baronsmead Investments Trust PLC Wts to sub for Ord - 22ϕ
British Assets Trust PLC Equities Index ULS 2005 10p - 178 9
Capital Gearing Trust PLC Ord 25p - 567 (27De95)
Edinburgh Investment Trust PLC 11½% Deb Stk 2014 - £129¾ 30 30 (22De95)
Gartmore British Inc & Grth Tst PLCZero Dividend Prf 10p - 136
Gartmore Shared Equity Trust PLC Geared Ord Inc 10p - 90
HTR Japanese Smaller Co's Trust PLCOrd 25p - 93½ 4½
JF Fledgeling Japan Ld Warrants to sub for Ord - 35½
Lazard Select Investment Trust Ld Ptg Red Prf 0.1p U.K. Liquid Assets Fund - £10 (22De95)
Lazard Select Investment Trust Ld Ptg Red Prf 0.1p Japan Index Fund - 818.8 21.8 (22De95)
London & St Lawrence Investment PLCOrd 5p - 171 (22De95)
MCIT PLC 6 Inc Shs 90pPhy Pdg - 34¼ (27De95)
MorganGrenfellLatinAmerCo's Tst PLCWts to sub for Ord - 22 (27De95)
Rights and Issues Inv Trust PLC 5½% Cum Prf £1 - 73
Scottish American Investment Co PLCEquities Index Uns Ln Stk 2004 - 169 (22De95)
Wigmore Property Investment Tst PLCWts to Sub for Ord - 13
Witan Investment Co PLC 8½% Deb Stk 2018 - £102¼ϕ
Witan Investment Co PLC 5¼% Exch Bds 2008 (Br £ Var) - C110 (27De95)

USM Appendix

Midland & Scottish Resources PLC Ord 10p - 4
Sterling Publishing Group PLC 6% Cnv Cum Red Prf 2000 £1 - 52ϕ
United Energy PLC Wts to sub for Ord - 1ϕ

Alternative Investment Market

Fortake Group 303(22.12)
VDC Plc 605(22.12)

RULE 2.1 (a)(iv)

Bargains marked in securities not falling within Rule 2.1 (a)(i) where the prinipal market is outside the UK and Republic of Ireland

Aust Found Inv 95(28.12)
Bnk E Asia H$27.4875,27.573555(28.12)
City Dev S$9.97835(28.12)
Dalrip Som Man Y932.25(27.12)
Kulim Malysia Ord 48(27.12)
Leighton Hlds A$3.38(27.12)
Malayan Cmnt RM4.894(28.12)
Malaysia Airline RM8.2647(28.12)
Oil Search $2.54(22.12)
Regal Hd Hlds H$1.8224(22.12)
Selangor Props RM2.4233(28.12)
Sherritt Gordon $3.06(28.12)

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LONDON STOCK EXCHANGE

MARKET REPORT

FT-SE 100 driven to all-time closing record

By Steve Thompson, Stock Market Editor

It was a late run thing, but a burst of buying interest in the FT-SE future, mostly betting on a good start to Wall Street, pushed UK equities up to all-time intra-day and closing highs yesterday.

The FT-SE 100 index, rampant for much of the year in the face of a barrage of takeover bids, ended Christmas week in a mini-blaze of glory, finishing a net 12.6 up at a record closing high of 3,689.3, after having launched a determined but ultimately unsuccessful attack on the 3,700 mark during a truncated trading session. Dealing in the stock market halted at 12.30pm.

The market's other main indices also performed well. The FT-SE Actuaries All-Share index reached its third successive record peak at 1,802.56. The FT-SE Mid 250 index jumped 13.8 to a 12-month high of 4,021.3, but remained well below its all-time best of 4,152.8.

Over the year the FT-SE 100 has risen 623.8 points, or 20.3 per cent, against a 519.5-point, or 14.8 per cent, gain in the FT-SE Mid 250.

It was by no means an easy session for the much-reduced trading teams manning the desks at tha City'a big securities houses.

Wall Street's second consecutive decline, plus an uncertain performance by sterling, saw the FT-SE 100 open around two points easier and quickly fall back further to post a 5.5-point loss within the first 30 minutes of trading as some of the market's bears decided that London would struggla to make progress after advances in the FT-SE 100 for five consecutive days, which lifted the index to within striking distance of its all-time intra-day and closing highs.

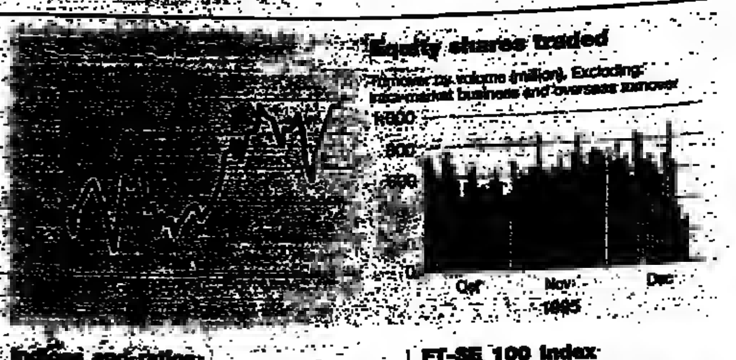
Sentiment began to recover in mid-morning, however, with some selective support for individual stocks, mixed in with the keen buying of the Footsie future, seeing the cash market suddenly pick up and drive towards its previous record intra-day peak, 3,688.0, which it reached on December 15.

That level was breached before midday and the Footsie touched what subsequently turned out to be the day's high point, 3,690.6.

The market's late enthusiasm about the US market proved correct, the Dow Industrial Average rising modestly in the first hour of trading and then embarking on a strong run to post a 20-point gain four hours after London closed.

Turnover in equities was obviously affected by the low attendance across the market. But a sudden jump in volumes during the last half-hour of trading saw several large blocks of stock traded in British Gas, Tesco, Great Universal Stores, Prudential, Unilever and Redland, deals which were said to have represented bed and breakfast, or tax-related, trades, or stock lending operations. Those deals accounted for well in excess of 40 per cent of market turnover, which totalled 418.8m shares.

Vodafone was the top performer in the FT-SE 100, ahead of a trading update for December, one of the most important trading periods for the group. Water shares, meanwhile, included a handful of good performers; soma dealers expect the government to commence selling its residual stakes in the water companies during January.



Indices and ratios

FT-SE Mid 250	4021.3	+13.8
FT-SE-A 350	1830.6	+6.2
FT-SE-A All-Share	1802.56	+5.90
FT-SE-A All-Share yield	3.80	(3.81)
FT Ordinary index	2690.1	+11.4
FT-SE-A Non Fin p/e	16.70	(16.64)
FT-SE 100 Fut Mar	3703.0	+12.0
10 yr Gilt yield	7.41	(7.42)
Long gilt/equity yld ratio:	2.04	(2.04)

FT-SE 100 index

Closing index for Dec 29	3689.3
Change over week	+56.0
Dec 28	3676.7
Dec 27	3676.4
Dec 22	3658.3
Dec 21	3633.3
High*	3690.6
Low*	3597.3

*intra-day high and low for week

TRADING VOLUME IN MAJOR STOCKS

	Vol. 000s	Closing price	Day's change		Vol. 000s	Closing price	Day's change
3i†	38	416		London Elect.	200	574	+5
ASDA Group†	1,400	110½	-½	Lonrho	272	176	
Abbey National†	759	636	+5	Lucas	905	181	+4
Albert Fisher	202	48		MEPC	85	395	
Allied Domecq†	776	526	+4	MFI	588	160½	-½
Anglian Water	80	605	+1	Marks & Spencer†	805	450	+5
Argos†	61	596	+3	Mercury Asset Man	88	870	+1
Argyll Group†	2,200	340	-7	Midlands Elect.	67	736	-8
Arjo Wiggins	445	105	+2	Morrison (Wm.)	315	142	+1
Assoc. Brit. Foods†	396	389		NFC	100	142	
Assoc. Brit. Ports	273	289	+1	NatWest Bank†	644	649	
BAA†	99	495	+1	National Grid†	3,500	199½	
BAT Inds.†	1,800	567½	-3½	National Power†	218	449½	-1½
BET†	736	127	+2	Next	117	458	
BICC	186	276		North West Water†	448	618	-1
BOC†	275	901		Northern Elect.	56	627	-4
BP†	1,200	539	-3	Northern Foods	966	171	
BPB Inds.	107	302	+2	Pearson†	415	624	+4
BSkyB†	787	405½	-½	P & O†	240	478	+5
BT†	4,000	354	+5	Pilkington†	1,400	202	+5
BTR†	19,000	329	+7	PowerGen†	309	532½	-1½
Bank of Scotland†	644	231	+2	Prudential†	25,000	415	+2½
Barclays†	826	738		REXAM†	186	354	-1
Bass†	371	719	+5	RMC†	165	991	+4
Blue Circle†	290	342½	+3½	RTZ†	501	966	+5
Booker	4	668		Racal	675	285	+1
Boots†	425	668	+1	Rank Org.†	608	456	+9
Britannic	37	798	+13	Reckitt & Colman†	124	713	+2
Brit. Aerospace†	1,400	797	+7	Redland†	22,000	389	+5
British Airways†	953	468		Reed Intl.†	256	982	+11
British Gas†	76,000	254	+½	Rentokil†	289	336	+1
British Land	1,200	391	+5	Reuters†	668	690	+5
British Steel†	1,600	162½	+1½	Rolls Royce†	2,400	189	+3
Bunzl	351	199	+1	Ryl Bk Scotland†	582	586	+5
Burmah Castrol†	430	934	-3	Royal Insurance†	41	382	-1
Burton†	654	134½		Sainsbury†	1,100	393	
Cable & Wire†	1,400	460	+4	Schroders†	65	1368	+20
Cadbury Schweppes†	1,200	532	+3	Scottish & New.†	478	613	+1
Caradon	738	195½	+1½	Scot. Hydro-Elect.	21	359½	+2½
Carlton Comms.†	720	905	-1	Scottish Power†	945	370	+2
Coats Viyella	624	175	-2	Sears	957	104	-1
Comm. Union†	267	628	+1	Sedgwick	971	121	+2½
Compass	185	489½	+7½	Seeboard	38	526	-2
Cookson†	704	306	+1	Severn Trent†	341	668	+5
Courtaulds†	404	407	+1	Shell Transport†	985	832	+1
Dalgety	26	406		Siebe†	94	794	-1
De La Rue	71	651	+1	Slough Ests	114	219	+3
Dixons†	1,100	448		Smith (W.H.)	127	424	-4
East Midland Elect.	00	667	-7	Smith & Nephew†	707	189½	-½
Electrocomps	118	360	+1	SmKl Beecham†	638	710	+6
Eng China Clays	45	317	+3	SmKl Beecham Uts.†	836	702	+9
Enterprise Oil†	709	398		Smiths Inds.†	129	838	-3
Eurotunnel Units	131	87		Southern Elect.†	134	904	-5
FKI	362	185	+2	South Wales Elect.	10	937	-5
Foreign & Col. I.T.†	587	162	+1½	South West Water	555	522	-2
Forte†	3,500	330½	+1	Southern Water	33	868	+9
Gen. Accident†	84	651	-2	Standard Chartd.†	894	548	+4
General Elect.†	3,800	355	-4	Storehouse	66	332	
Glaxo Wellcome†	1,800	915	+19	Sun Alliance†	217	373½	+2½
Glynwed	112	321		T&N	462	162	
Granada†	1,500	645	+1	TI Group†	171	459	+3
Grand Met.†	298	484		Tarmac	1,100	100	-2
GUS†	11,600	685	+4	Tate & Lyle†	284	472	+2
Greenalls	18	588		Taylor Woodrow	207	117½	+½
GRE	636	276	+6	TeleWest	11	165	-½
GKN†	86	779		Tesco†	40,000	297	-1½
Guinness†	625	474	-1	Thames Water†	583	582	+3
HSBC (75p shs)†	675	1006	+6	Thorn EMI†	465	1517	-3
Hammerson	47	352½	+3½	Tomkins†	267	282	+3
Hanson†	5,400	192½	+½	Trafalgar House	1,900	27½	+½
Harrisons Crosfield	439	160	+6	Unigate	35	411	-2
Hays	38	375	+1	Unilever†	10,000	1323	+3
Hillsdown	176	169		United Biscuits	243	256	
IMI	130	326½	+1	Utd. News & Media	55	656	-1
ICI†	339	763	+5	Vodafone†	6,000	230½	+9
Inchcape	487	249	+4	WPP	751	164	+1
Johnson Matthey	42	523		Welsh Water	72	775	+14
Kingfisher†	518	542	+1	Wessex Water	1,600	349	+3
Kwik Save	99	504		Whitbread†	447	680½	+11½
Ladbroke†	900	146½	-3½	Williams Hldgs.†	215	326	+3
Land Securities†	618	617	+4	Willis Corroon	86	141	
Laporte	181	674	+15	Wimpey	85	144	
Legal & General†	306	670	+2	Wolseley†	19	451	+2
Lloyds TSB†	6	331½	-12	Yorkshire Elect.	151	667½	-11½
ds Abbey	3,600	450	+1	Yorkshire Water	913	580	+5
MO†	505	175	+1	Zeneca†	736	1246	+11

Based on trading volume for a selection of major securities dealt through the SEAQ system yesterday until 12.30pm. All trades are rounded. † indicates an FT-SE 100 index constituent.

EQUITY FUTURES AND OPTIONS TRADING

A bout of late buying in stock index futures on the last day of trading this year ensured that the lead contract finished above the 3,700 level.

Although it was to be a brief session with the market closing just after midday, dealers reported an improvement in activity from the outset. The March contract on the FT-SE 100 opened at 3,690 and moved steadily ahead, helping to pull the cash market higher as it gained momentum.

It ended at 3,703, up 12 from its previous close and at a premium to cash of 14 points, with turnover reaching 3,098 lots by the close.

The traded options sector also saw improved activity and registered total turnover of 12,464 contracts. Once again the Euro FT-SE was the busier of the two index options and it saw volume of 3,334 against 1,619 lots dealt in the FT-SE 100 option. Hanson was the busiest stock option with turnover of 2,008.

■ FT-SE 100 INDEX FUTURES (LIFFE) £25 per full index point (APT)

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Mar	3690.0	3703.0	+12.0	3705.0	3681.0	3096	62598
Jun	-	3704.0	+12.0	-	-	0	1110

■ FT-SE MID 250 INDEX FUTURES (LIFFE) £10 per full index point

Mar	-	4040.0	+10.0	-	-	0	3315

■ FT-SE 100 INDEX OPTION (LIFFE) (*3696) £10 per full index point

	3500		3550		3600		3650		3700		3750		3800		3850	
	C	P	C	P	C	P	C	P	C	P	C	P	C	P	C	P
Jan	198½	2½	144	5	98	11	57	21½	27½	42½	11½	76½	2½	122	1	172
Feb	206	9	164½	15½	124	25	88½	39½	58	60½	36	89½	20	127	18½	172
Mar	221	21	188½	30½	142	42	110½	60	81½	81½	58	108½	38½	142	24	179½
Apr	228½	38	189	50	155½	66½	124½	95	96	107½	75	135	58	156	41	201
Jun†	268½	64			198	92			130½	131			83½	164½		

Calls 1,049 Puts 590

■ EURO STYLE FT-SE 100 INDEX OPTION (LIFFE) £10 per full index point

	3525		3575		3625		3675		3725		3775		3825		3875	
Jan	164½	3	117½	5½	75½	13½	41½	29½	18½	56½	6	93½	2	139	1	188
Feb	184	10	142	17	104	29	71½	46	48	78	27	100½	14½	137½	7	179½
Mar	201	25½	162	38	123	48	92½	65	66½	86½	46½	117½	30½	150½	19	188½
Jun	238½	65½			172½	96			115½	135½			72	189½		
Sept	283½	94			226½	128			184½	165			116	211½		

Calls 907 Puts 2,513 * Underlying index value. Premiums shown are based on settlement prices.
† Long dated expiry months.

FT-SE-A INDICES - LEADERS & LAGGARDS

Percentage changes since December 30 1994 based on Friday December 29 1995

Pharmaceuticals	+57.09	Electronic & Elect Equip	+20.61	FT-SE-A Fledgling ex ITs	+11.00
Life Assurance	+43.34	FT-SE 100	+20.35	Food Producers	+10.86
Banks, Retail	+41.43	Water	+19.42	FT-SE-A Fledgling	+10.64
Tobacco	+33.11	FT-SE-A 350	+19.08	Gen Industrials	+7.89
Financials	+33.04	FT-SE-A All-Share	+18.48	Building & Construction	+6.37
Consumer Goods	+30.48	Services	+17.77	Spirits, Wines & Ciders	+6.28
Breweries	+29.61	FT-SE-A 350 Higher Yld	+17.74	Electricity	+5.61
Support Services	+28.93	Non-Financials	+15.95	Chemicals	+3.67
Insurance	+24.44	Engineering, Vehicles	+15.23	Distributors	+3.12
Oil, Integrated	+24.14	FT-SE Mid 250 ex ITs	+15.12	Diversified Industrials	+2.75
Leisure & Hotels	+23.77	FT-SE Mid 250	+14.84	Building Matls	+2.61
Media	+23.29	Household Goods	+14.01	Utilities	+1.97
Banks, Merchant	+23.19	Oil Exploration & Prod	+13.02	Telecommunications	+1.40
Retailers, General	+23.12	Retailers, Food	+12.93	Property	+1.14
Engineering	+21.42	Extractive Industries	+12.29	Transport	-1.46
Mineral Extraction	+21.30	Investment Trusts	+11.97	Textiles & Apparel	-6.39
Health Care	+20.80	FT-SE SmallCap ex ITs	+11.77	Paper, Pckg & Printing	-8.46
FT-SE-A 350 Lower Yld	+20.77	FT-SE SmallCap	+11.17	Gas Distribution	-18.54

FT-SE Actuaries Share Indices — The UK Series

	Dec 29	Day's chge%	Dec 28	Dec 27	Dec 22	Year ago	Div. yld%	Net cover	P/E ratio	Xd adj. ytd	Total Return	1995 High		1995 Low		Since Compilation High		Since Compilation Low	
FT-SE 100	3689.3	+0.3	3676.7	3676.4	3658.3	3065.5	3.87	2.07	15.80	153.53	1474.76	[illegible]	29/12	2954.2	23/1	[illegible]	29/12/95	[illegible]	23/7/84
FT-SE Mid 250	4021.3	+0.3	4007.5	3999.7	3985.4	3501.8	3.64	1.84	18.64	164.94	1583.75	4021.3	29/12	3300.9	8/3	4152.8	3/2/94	1379.4	21/1/86
FT-SE Mid 250 ex Inv Trusts	4034.6	+0.3	4020.9	4012.2	3998.7	3504.8	3.17	1.90	17.43	174.03	1590.30	4034.6	29/12	3304.4	8/3	4160.7	19/1/94	1378.3	21/1/86
FT-SE-A 350	1830.6	+0.3	1824.4	1823.5	1815.1	1537.3	3.82	2.02	18.10	73.92	1496.89	1830.6	29/12	1482.4	23/1	1830.6	29/12/95	664.5	14/1/86
FT-SE-A 350 Higher Yield	1833.8	+0.3	1828.6	1828.2	1821.0	1557.5	4.70	1.84	14.45	92.23	1244.21	1833.8	29/12	1507.7	9/3	1833.8	29/12/95	100.0	14/12/94
FT-SE-A 350 Lower Yield	1832.1	+0.4	1824.7	1823.4	1813.6	1517.1	2.89	2.34	18.47	58.43	1250.88	1832.1	29/12	1464.9	23/1	1832.1	29/12/95	100.0	14/12/94
FT-SE SmallCap	1941.55	+0.1	1938.82	1936.42	1931.70	1746.41	3.42	1.71	21.41	62.02	1569.59	1993.11	11/9	1878.81	13/3	2094.90	4/2/94	1363.79	31/12/92
FT-SE SmallCap ex Inv Trusts	1817.81	+0.1	1815.20	1812.13	1807.35	1715.86	3.67	1.78	18.09	65.00	1558.78	1872.38	11/9	1669.18	13/3	2006.72	4/2/94	1363.79	31/12/92
FT-SE-A ALL-SHARE	1802.56	+0.3	1796.66	1795.71	1787.69	1521.44	3.80	2.00	16.44	73.50	1407.68	1802.56	29/12	1469.23	23/1	1802.56	29/12/95	61.92	13/12/74

■ FT-SE Actuaries All-Share

	Dec 29	Day's chge%	Dec 28	Dec 27	Dec 22	Year ago	Div. yld%	Net cover	P/E ratio	Xd adj. ytd	Total Return	1995 High		1995 Low		Since Compilation High		Since Compilation Low	
10 MINERAL EXTRACTION(23)	3249.88	-0.2	3257.50	3262.03	3250.40	2679.29	3.60	2.02	17.19	116.72	1367.57	3262.03	27/12	2660.55	6/3	3262.03	27/12/95	980.20	19/2/86
12 Extractive Industries(7)	4225.28	-0.3	4236.35	4246.14	4242.54	3782.94	3.50	2.51	14.23	144.17	1211.80	4309.32	27/11	3640.36	20/2	4309.32	27/11/95	1009.80	31/12/85
15 Oil, Integrated(3)	3293.22	-0.3	3301.80	3326.95	3288.58	2652.78	5.74	1.98	17.11	123.19	1420.63	3326.95	27/12	2581.38	6/3	3326.95	27/12/95	982.30	20/2/86
18 Oil Exploration & Prod(13)	2121.05	+0.2	2116.30	2157.26	2139.39	1876.83	2.37	1.49	35.31	40.86	1258.98	2157.26	27/12	1867.13	23/1	3044.10	3/8/90	969.30	28/7/86
20 GEN INDUSTRIALS(276)	1970.26	+0.6	1958.31	1952.86	1938.58	1826.24	4.21	1.69	15.78	82.31	1057.94	2016.08	20/8	1787.07	9/3	2232.96	2/2/94	988.10	14/1/86
21 Building & Construction(38)	1044.78	+0.5	1039.53	1037.97	1030.74	982.23	3.86	2.02	18.02	40.32	880.78	1044.78	29/12	890.48	13/3	2128.99	16/7/87	538.30	9/9/92
22 Building Matls & Merchs(31)	1814.39	+0.7	1801.94	1802.86	1799.22	1768.10	4.07	2.04	15.05	73.55	800.45	1883.28	2/8	1647.71	9/3	2369.22	24/1/94	854.90	9/9/92
23 Chemicals(23)	2345.50	+0.6	2330.87	2319.10	2313.79	2262.41	4.10	1.87	18.00	95.74	1092.24	2612.81	15/9	2113.66	6/3	2686.42	8/8/94	978.50	14/1/86
24 Diversified Industrials(20)	1784.58	+1.3	1761.74	1756.94	1741.40	1736.90	5.53	1.57	14.43	88.09	975.75	1907.89	15/5	1700.81	19/12	2231.87	2/2/94	964.90	21/1/86
25 Electronic & Elect Equip(37)	2235.60	-0.3	2241.74	2212.12	2182.94	1853.57	3.35	2.00	18.65	75.80	1146.98	2241.74	28/12	1815.76	30/1	2383.36	4/2/94	[illegible]	29/8/86
26 Engineering(68)	2178.16	+0.5	2165.65	2168.14	2149.63	1792.23	3.47	2.27	15.82	74.15	1302.54	2223.72	4/10	1794.23	31/1	2223.72	4/10/95	962.00	10/11/87
27 Engineering, Vehicles(13)	2507.34	+0.8	2487.13	2479.58	2462.73	2176.01	3.75	1.10	28.66	95.42	1278.40	2685.31	4/10	2016.97	23/1	2685.31	4/10/95	989.80	14/1/86
28 Paper, Pckg & Printing(27)	2511.96	+0.5	2500.40	2503.04	2479.19	2744.26	4.01	2.48	12.60	100.00	1030.36	3142.02	11/7	2435.62	4/12	3142.02	11/7/95	973.30	14/1/86
29 Textiles & Apparel(21)	1414.87	-0.7	1424.79	1420.22	1416.33	1511.40	5.06	1.84	13.45	71.88	848.58	1788.30	25/8	1388.18	9/3	2325.90	2/10/87	980.80	24/9/90
30 CONSUMER GOODS(89)	3638.76	+0.4	3623.54	3622.43	3590.93	2788.64	3.74	1.80	18.54	135.14	1320.34	3638.76	29/12	2743.58	23/1	3638.76	29/12/95	987.30	14/1/86
31 Breweries(17)	2848.33	+0.6	2831.52	2823.49	2793.18	2197.62	3.66	1.62	17.84	100.85	1350.80	2848.33	29/12	2083.28	9/3	2848.33	29/12/95	992.00	14/1/86
32 Spirits, Wines & Ciders(9)	2905.17	....	2905.40	2895.48	2868.01	2733.48	4.10	1.76	16.94	125.07	1028.16	2985.88	16/10	2472.89	9/3	3487.80	11/5/92	987.50	14/1/86
33 Food Producers(24)	2563.21	+0.2	2558.00	2558.55	2551.37	2312.19	4.02	1.01	17.14	101.32	1136.81	2598.28	7/8	2248.13	23/1	2650.84	19/1/94	940.10	14/1/86
34 Household Goods(11)	2703.07	+0.1	2701.24	2699.54	2689.71	2370.98	3.54	2.13	16.57	90.95	1014.80	2741.38	2/8	2367.47	4/1	2804.14	18/2/94	927.10	21/1/86
36 Health Care(17)	1894.61	-0.1	1896.13	1892.65	1897.59	1588.38	2.79	1.78	25.06	50.01	1137.48	2037.97	5/10	1660.22	23/1	2047.40	28/9/87	972.80	21/7/86
37 Pharmaceuticals(10)	5121.38	+1.0	5071.19	5065.66	5014.59	3260.15	3.22	1.78	22.81	162.31	1710.49	5157.75	6/12	3225.08	5/1	5157.75	6/12/95	983.70	13/1/86
38 Tobacco(1)	4807.23	-0.6	4836.87	4879.23	4807.23	3611.56	4.99	1.94	12.90	229.23	1163.01	4904.64	22/11	3448.71	7/3	4904.64	22/11/95	982.06	9/1/86
40 SERVICES(227)	2228.49	+0.2	2223.06	2214.94	2205.40	1892.32	3.02	2.10	19.73	67.75	1141.85	2236.43	8/9	1813.39	9/3	2236.43	8/9/95	944.80	23/1/86
41 Distributors(30)	2571.64	+0.4	2560.81	2543.43	2539.90	2493.78	3.80	1.76	18.18	101.68	835.95	2803.80	15/9	2238.84	27/2	3318.33	2/2/94	969.80	21/1/86
42 Leisure & Hotels(30)	2636.06	+0.3	2626.37	2623.13	2605.78	2128.93	3.06	1.89	21.52	74.15	1350.00	2641.72	6/12	2033.71	23/1	2641.72	6/12/95	979.40	21/1/86
43 Media(43)	3451.69	+0.4	3438.08	3438.73	3443.13	2799.58	2.07	2.36	25.92	81.45	1235.29	3621.23	1/12	2828.32	23/1	3621.23	1/12/95	978.20	9/1/86
44 Retailers, Food(16)	1994.05	-0.5	2003.91	1972.42	1954.38	1765.74	3.66	2.40	14.21	72.35	1246.63	2253.84	4/9	1728.40	5/1	2253.84	4/9/95	817.40	21/1/86
45 Retailers, General(43)	1948.43	+0.4	1940.61	1936.25	1019.41	1582.92	3.07	2.28	18.01	59.64	1698.38	1948.43	29/12	1494.48	21/2	1948.43	29/12/95	978.10	9/12/88
46 Support Services(36)	1886.59	+0.2	1882.44	1878.32	1880.17	1463.30	2.45	2.53	20.18	44.55	1187.13	1886.59	29/12	1429.33	7/3	1886.59	29/12/95	838.90	1/2/91
49 Transport(20)	2173.15	+0.3	2165.86	2160.07	2158.81	2205.44	4.02	1.30	23.84	86.39	892.42	2382.48	28/7	2101.96	13/3	2805.99	3/2/94	980.60	14/1/86
51 Other Services & Business(7)	1080.74	-0.2	1083.23	1084.63	1084.63	1242.67	4.36	1.56	18.10	50.09	977.45	1278.43	15/5	1074.18	19/12	2468.38	18/7/87	983.18	14/1/86
60 UTILITIES(36)	2465.06	+0.7	2447.69	2448.00	2458.51	2417.42	5.00	2.04	12.27	153.43	1031.13	2824.84	8/9	2182.31	9/3	2762.33	2/2/94	892.80	3/10/88
62 Electricity(14)	2726.36	-0.3	2736.80	2738.50	2756.74	2583.37	5.05	2.62	9.44	241.63	1269.90	2919.05	19/11	2077.86	31/3	2919.05	19/11/95	986.30	7/1/91
64 Gas Distribution(2)	1688.29	+0.2	1685.09	1691.12	1687.51	2072.56	7.10	1.04	16.93	119.82	847.64	2092.25	3/1	1586.17	6/12	2279.38	18/12/93	894.90	9/12/86
66 Telecommunications(7)	1992.62	+1.8	1961.18	1960.47	1969.63	1965.08	4.24	1.74	16.93	86.02	901.62	2224.41	4/9	1684.82	8/3	2481.28	28/12/93	802.60	3/10/88
68 Water(13)	2173.37	+0.5	2162.32	2160.89	2156.40	1819.88	5.47	2.86	8.59	123.83	1176.63	2173.37	29/12	1667.98	3/2	2173.37	29/12/95	824.70	1/5/90
69 NON-FINANCIALS(653)	1908.10	+0.4	1900.90	1898.44	1889.08	1645.65	3.83	1.95	16.70	76.51	1423.23	1908.10	29/12	1588.56	9/3	1908.10	29/12/95	63.49	13/12/74
70 FINANCIALS(112)	2856.36	+0.1	2853.92	2854.56	2854.23	2147.05	3.97	2.32	13.57	138.00	1205.30	2932.82	1/12	2219.15	23/1	2932.82	1/12/95	972.29	23/1/86
71 Banks, Retail(8)	4036.18	-0.3	4048.40	4043.88	4046.47	2853.84	3.71	2.60	12.85	208.09	1298.84	4174.40	5/12	2582.93	23/1	4174.40	5/12/95	[illegible]	23/1/86
72 Banks, Merchant(6)	3635.82	+1.1	3596.56	3532.57	3521.80	2851.50	2.56	2.41	20.25	104.97	1139.80	3638.79	4/9	2847.34	8/3	3638.79	4/9/95	982.30	27/1/86
73 Insurance(25)	1428.82	+0.6	1420.33	1429.71	1432.26	1148.19	5.15	2.68	9.05	73.60	1047.19	[illegible]	1/12	1109.84	23/1	[illegible]	29/12/88	878.30	25/9/92
74 Life Assurance(6)	3371.24	+0.0	3350.05	3365.46	3371.30	2351.87	4.14	1.53	19.76	136.72	1373.45	3531.25	24/11	2225.44	25/1	3531.25	24/11/95	987.70	23/1/86
77 Other Financial(22)	2361.08	+0.3	2355.18	2361.08	2361.97	1840.53	3.80	1.85	17.78	77.97	1324.09	2426.94	19/10	1822.81	7/3	2426.94	19/10/95	696.30	1/10/90
79 Property(45)	1425.64	+0.6	1417.32	1412.08	1398.94	1409.59	4.37	1.33	21.84	62.91	864.59	1486.94	26/7	1333.72	20/4	2132.48	5/8/89	719.40	16/9/92
80 INVESTMENT TRUSTS(133)	3021.50	+0.3	3012.48	3015.37	3003.01	2698.39	2.24	1.04	53.66	66.81	1045.61	3021.50	29/12	2526.38	23/1	3184.31	2/2/94	977.20	14/1/86
89 FT-SE-A ALL-SHARE(886)	1802.56	+0.3	1796.66	1795.71	1787.69	1521.44	3.80	2.00	16.44	73.50	1407.68	1802.56	29/12	1469.23	23/1	1802.56	29/12/95	61.92	13/12/74
FT-SE-A Fledgling	1106.41	+0.3	1102.85	1100.89	1099.21	1000.00	2.88	1.22	35.51	33.30	1143.00	1106.41	29/12	949.09	13/3	1778.38	2/2/94	31.14	12/12/94
FT-SE-A Fledgling ex Inv Trusts	1109.98	+0.4	1105.56	1103.34	1101.51	1000.00	3.03	1.28	32.25	32.32	1145.83	7109.98	29/12	946.89	20/3	1778.39	2/2/94	28.13	12/12/94

■ Hourly movements

	Open	9.00	9.30	10.00	11.00	12.00	Close			High/day	Low/day
FT-SE 100	3674.8	3671.2	3674.6	3677.9	3684.5	3689.0	3689.3	-	-	3690.6	3671.1
FT-SE Mid 250	4008.1	4010.2	4013.1	4015.1	4017.4	4019.8	4021.3	-	-	4021.4	4007.9
FT-SE-A 350	1823.7	1822.5	1824.1	1826.6	1828.4	1830.4	1830.6	-	-	1831.0	1822.5

Time of FT-SE 100 High: 11.35am Low: 8.59am

■ FT-SE Actuaries 350 Industry baskets

	Open	9.00	9.30	10.00	11.00	12.00	Close	Previous	Change			
Bldg & Cnstrcn	1050.3	1050.8	1053.9	1053.4	1054.5	1054.5	1055.0	1049.2	+5.8	-	-	-
Pharmaceuticls	5010.4	4998.7	5014.4	5026.6	5041.8	5062.3	5061.7	5011.8	+49.9	-	-	-
Water	2155.0	2155.0	2155.0	2155.0	2159.6	2165.9	2167.7	2156.4	+11.3	-	-	-
Banks, Retail	4078.6	4084.1	4091.3	4094.3	4095.3	4091.0	4087.7	4098.0	-10.3	-	-	-

Equity section or group	Base date	Base value	Equity section or group	Base date	Base value	Equity section or group	Base date	Base value	Equity section or group	Base date	Base value
FT-SE 100	31/12/83	1000.00	Electricity	31/12/90	1000.00	FT-SE SmallCap & ex I.T.s	31/12/92	1363.79	Oil Exp & Prod Total Rtn	31/12/93	1047.35
FT-SE Mid 250 & ex I.T.s	31/12/85	1412.60	Water	29/12/89	1000.00	FT-SE-A Fledgling	30/12/94	1000.00	FT-SE-A Fledgling Total Rtn	30/12/94	1000.00
FT-SE-A 350	31/12/85	682.94	Non-Financials	10/4/62	100.00	FT-SE-A Fledgling ex Inv Tsts	30/12/94	1000.00	FT-SE-A Fledg ex IT Total Rtn	30/12/94	1000.00
FT-SE-A 350 Higher Yield	31/12/85	682.94	FT-SE-A All-Share	10/4/62	100.00	FT-SE Total Return Indices	31/12/92	1000.00			
FT-SE-A 350 Lower Yield	31/12/85	682.94	All Other	31/12/85	1000.00	FT-SE-A Sectors' Total Rtn	31/12/93	1000.00			

The FT-SE 100, the FT-SE Mid 250 and the FT-SE Actuaries 350 Indices are compiled by the London Stock Exchange and the FT-SE Actuaries All-Share Index and the FT-SE SmallCap Index are compiled by The Financial Times Limited, both in conjunction with the Institute of Actuaries and the Faculty of Actuaries under a standard set of ground rules. © The International Stock Exchange of the United Kingdom and Republic of Ireland Limited 1995. © The Financial Times Limited 1995. All rights reserved. "FT-SE" and "Footsie" are joint trade marks and service marks of the London Stock Exchange and The Financial Times Limited. Auditor: The WM Company. † Sector P/E ratios greater than 80 are not shown. ‡ Values are negative. DELETION: Devro (FT-SE Mid 250), FirstBus (FT-SE SmallCap), Ticketing (Fledgling), Black & edington (Fledgling), Harring Baker (Fledgling), Harmony Property (Fledgling). INSERT: Devro (FT-SE 100), FirstBus (FT-SE Mid 250), MERGER: Lloyds Bank & TSB to form Lloyds TSB Group (FT-SE 100).

Buyers move in for BTR

Conglomerate BTR was tipped as a good prospect for the coming year by several brokers, which helped to boost the shares in heavy trading.

The shares improved 7 to 322p in trade of 19m, with buying encouraged by the recommendations from a wide range of brokers. UBS and Salomon Brothers were said to have been the main bidders of stock during the session. ABN Amro Hoare Govett is looking for a 10 per cent outperformance in the coming year.

The stock has had a volatile session in recent weeks. The shares fell sharply at the end of November following a cautious trading statement and declined further on worries about a stock overhang following heavy arbitrage trading between BTR and BTR Nylex. BTR has since purchased the outstanding minority in BTR Nylex.

Bottom-fishing brought a turnround two weeks ago and sentiment was further enhanced by BTR'a £300m sale 11 days ago of Dunlop Slazenger, one of the world's leading sporting goods manufacturers.

Mobile phones company Vodafone Group was the best performer on the last session of the year, as several factors combined to drive the stock forward.

The shares rose 9 to close at 230¼p. Most of the demand during the session was said to have come from US buyers and some 5m had been traded by the end of the day.

Dealers suggested that some of the day's advance was due to recovery buying, the shares having retreated from the year's high of 285¼p, whila there were those attracted to the stock by end-of-year tipping of Vodafone as a solid performer in the coming year.

The market is also eagerly awaiting a trading statement from the group for the month of December. The weeks leading up to Christmas have traditionally been particularly busy, with many people choosing to give mobile phones as Christmas presents.

End of the year technical trading accounted for the big volumes recorded in several of the stocks yesterday.

British Gas was by far the day's most actively traded issue. Turnover by the end of the session had risen to a hefty 76m, its second highest daily total on record. The shares edged ½ forward to 254p.

Other big trades included Tesco, which saw volume of 40m as the shares eased 1½ to 297p on general profit-taking among food retailers.

Prudential Corporation was also busy and the shares closed with turnover of 25m. The stock gained 2½ at 415p, while some 22m were dealt in builder Redland. The shares were in favour and they put on 5 at 389p.

Retail Banking group Abbey National gained 5 at 636p after it said it had appointed Merrill Lynch to be its joint broker with SBC Warburg. The move will be seen as a bonus for Merrill, which took over Smith New Court earlier in the year.

In the rest of the financials, there was active profit-taking in the newly merged Lloyds TSB group which left the shares trailing 12 at 331½p, the day's biggest retreat in the Footsie, after trade of 3.6m.

Bid talk continued to send Royal Bank of Scotland forward and the shares moved ahead another 6 to 586p.

Dealers continue to believe it is only a matter of time before such a bid is tabled and HSBC remains the favourite to launch such a takeover. The stock has risen from 450p at the end of September to its present level on the speculation. HSBC shares were in demand and they closed 8 stronger at 1006p.

There was keen support for Hambros Bank and Schroders, as some institutions focused their attentions on the ever shrinking sector, which has seen two of its main components, Kleinwort Benson and S.G. Warburg absorbed this year by Dresdner Bank of Germany, and Swiss Bank Corporation. Hambros rose 6 to 206p and Schroders 20 to 1368p.

Among insurance stocks, the return of bid talk in Guardian Royal Exchange saw the shares appreciate 8 to 276p.

NEW HIGHS AND LOWS FOR 1995

NEW HIGHS (60).

BANKS, RETAIL (1) Banco Bil Vz, BREWERIES (3) Eldridge, Pope A, Wetherspoon (JD), Whitbread, BUILDING & CNSTRN (7) Barratt Devs, Bellway Homes, Berkeley, Laing (J), Do A N/V, Morrison Constn, Wimpey (G), BLDG MATLS & MCHTS (3) Blue Circle, Halstead (J), Travis Perkins, DISTRIBUTORS (3) Eurodis Electron, Sterdale Sole, DIVERSIFIED INDLS (1) Hutch Whmp, ELECTRNC & ELECT EQUIP (6) Silverdines, Sony, Stowe, ENGINEERING (4) Cobham, Halma, Kelsey, Siverfield-Reeve, EXTRACTIVE INDS (1) Bakyrchik Gold, FOOD PRODUCERS (1) Carnaghan & Gray, HEALTH CARE (1) Premier Health 8pc Cv.In 2000, INSURANCE (1) INVESTMENT TRUSTS (13) LEISURE & HOTELS (6) Compass, First Leis, Games Workshop, Pelican, Rank Org, LIFE ASSURANCE (1) Britannic, MEDIA (4) Colleagues, Home Counties, Television, Ulster TV, OIL EXPLORATION & PROD (1) Brit Borneo, OIL, INTEGRATED (1) Santos, OTHER FINANCIAL (2) Dalwa Sec, Lon Scot Bk, PAPER, PACKG & PRNTG (2) Carnaud Metalbox, Waterlow, PHARMACEUTICALS (2) Glaxo Wellcome, Ransom (Wm), PROPERTY (1) Bradford, RETAILERS, FOOD (1) Appleby Westward, RETAILERS, GENERAL (8) Caparight, DFS Furniture, Hampden, House of Fraser, Kingsbury, Oasis Stores, SUPPORT SERVS (4) Compel, MITIE, RM, UnM Salvage, TEXTILES & APPAREL (2) Abbeycrest, Hicking Pentecost, TRANSPORT (3) Stagecoach, Trafficmaster, WATER (2) Northumbrian, Severn Trent, AIM (2) Nursing Home Prps, Stanford Rock, AMERICANS (3) NYNEX, Rockwell.

NEW LOWS (26).

GILTS (2) BUILDING & CNSTRN (1) Amey, BLDG MATLS & MCHTS (1) 3i/2, ENGINEERING (1) Hill & Smith, EXTRACTIVE INDS (2) Leslie, [illegible], HEALTH CARE (1) [illegible], INSURANCE (1) [illegible], INVESTMENT TRUSTS (3) OIL EXPLORATION & PROD (2) Powerhouse Res, XCL, OTHER FINANCIAL (3) Ecco, Mgn ED & F, OTHER SERVS & BUSNS (1) Caledonia, PROPERTY (1) Speciality Shops, TELECOMMUNICATIONS (1) NYNEX, TEXTILES & APPAREL (1) Courtaulds Text, AMERICANS (1) Woolworth.

■ CHIEF PRICE CHANGES YESTERDAY

London (Pence)

Rises

Abbey Natl	636	+	5
Berisford	204	+	9
Charter	863	+	22
Danka Bus Sys	585	+	17
Glaxo Wellcome	915	+	10
GRE	276	+	8
Laporte	674	+	15
Oasis Stores	271	+	13½
Rank Org	456	+	9
Smith (Dvd S)	284	+	10
Vodafone	230½	+	9½
Welsh Water	775	+	14
Whitbread	680½	+	11½

Falls

Argyll	340	-	7
CRA	951	-	64
CentreGold	54	-	6
Courtaulds Text	356	-	12
KS Biomedix	123	-	15
Ladbroke	146½	-	3½
Lloyds TSB	331½	-	12
Yorkshire Elect	667½	-	11½

Prices for electricity determined for the purposes of the electricity pooling and settlement arrangements in England and Wales.

1/2 hour period ending	Provisional Price for Trading on 30.12.95: Pool purchase price £/MWh	Final Prices for Trading on [illegible]: Pool purchase price £/MWh	Pool selling price £/MWh
0030	9.08	9.04	9.04
0100	14.87	34.00	35.59
0130	16.58	49.00	50.59
0200	16.58	49.00	50.59
0230	16.53	34.00	35.59
0300	16.53	23.72	26.31
0330	16.58	23.72	26.31
0400	13.13	13.03	14.62
0430	12.86	13.03	14.62
0500	12.86	13.03	14.62
0530	12.70	9.02	9.02
0600	12.70	8.98	8.98
0630	12.70	8.95	10.54
0700	12.70	8.95	10.54
0730	9.05	8.95	10.54
0800	9.02	8.95	10.54
0830	9.02	17.22	18.81
0900	9.09	17.82	18.91
0930	12.47	18.43	20.02
1000	12.70	30.11	31.70
1030	12.70	33.22	34.81
1100	12.70	33.22	34.81
1130	12.87	22.33	23.92
1200	12.87	22.33	23.92
1230	13.19	22.33	23.92
1300	13.19	22.33	23.92
1330	13.89	22.33	23.92
1400	14.36	17.22	18.81
1430	14.36	9.04	9.04
1500	14.36	9.02	9.02
1530	14.36	8.98	8.98
1600	14.36	9.02	9.02
1630	14.75	22.35	23.93
1700	32.47	22.34	23.94
1730	33.73	30.71	32.31
1800	44.30	30.71	32.31
1830	31.80	30.70	32.30
1900	32.17	25.85	27.44
1930	15.63	25.85	27.44
2000	14.55	19.13	20.72
2030	14.05	22.22	23.81
2100	13.86	17.24	18.83
2130	13.86	17.24	18.83
2200	13.86	15.81	15.40
2230	8.05	13.81	15.40
2300	8.98	8.87	8.87
2330	8.96	8.96	8.96
2400	8.98	8.98	8.98

Prices are determined for every half-hour in each twenty-four hour period. Prices are in pounds per megawatt-hour, rounded to two decimal places. To convert prices to pence per kilowatt-hour the decimal point should be moved one place to the left, eg £15.88/MWh becomes 1.588p/KWh. Provision for the determination of pool prices is made in the Pooling and Settlement Agreement which govern the operation of the electricity pool in England and Wales. The Pool Purchase Price is the basis of the majority of payments made to generators in respect of electricity traded through the pool. The calculation of pool prices is a highly complex process the product of which is subject to revision or correction (and sometimes major alteration) until final pool prices are determined approximately twenty-four days after the day of trading. Accordingly, due to the possibility of their revision and/or correction, no reliance should be placed upon provisional pool prices for any day being the same as final pool prices for that day. Final pool prices are also capable of revision. Pool Selling Price is the price paid by purchasers of electricity under the pool trading arrangements. It is dependent upon the determination of Pool Purchase Price. Further information on pool prices is provided on behalf of the Pool by Energy Settlements and Information Services Limited. Anyone wishing to receive such information should telephone 0113 [illegible] between 8.30am and 5.15pm Monday to Friday.
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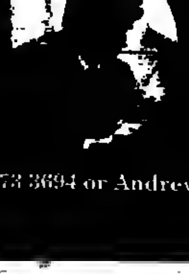

LONDON SHARE SERVICE

BANKS, MERCHANT

BANKS, RETAIL

BREWERIES

BUILDING & CONSTRUCTION

BUILDING MATS. & MERCHANTS

CHEMICALS

CHEMICALS - Cont.

DISTRIBUTORS

DIVERSIFIED INDUSTRIALS

ELECTRICITY

ELECTRONIC & ELECTRICAL EQPT

ELECTRONIC & ELECTRICAL EQPT - Cont.

ENGINEERING

ENGINEERING, VEHICLES

EXTRACTIVE INDUSTRIES

EXTRACTIVE INDUSTRIES - Cont.

FOOD PRODUCERS

GAS DISTRIBUTION

HEALTH CARE

HOUSEHOLD GOODS

INSURANCE

INSURANCE - Cont.

INVESTMENT TRUSTS

INVESTMENT TRUSTS - Cont.

INV. TRUSTS SPLIT CAPITAL

INVESTMENT COMPANIES

LEISURE & HOTELS

OTHER INVESTMENTS

INVESTMENTS SPLIT CAPITAL

TRUSTS SPLIT CAPITAL - Cont.

OTHER INVESTMENT TRUSTS

The following investment trusts are not eligible for inclusion in the FT-SE Actuaries Share Indices.

INVESTMENT COMPANIES

LIFE ASSURANCE

MEDIA

OIL EXPLORATION & PRODUCTION

OIL, INTEGRATED

OTHER FINANCIAL

LEISURE & HOTELS

OTHER SERVICES & BUSINESSES

OTHER SERVICES & BUSINESSES - Cont.

PAPER, PACKAGING & PRINTING

PROPERTY

PROPERTY - Cont.

RETAILERS, FOOD

RETAILERS, GENERAL

PHARMACEUTICALS

RETAILERS, GENERAL - Cont.

SPIRITS, WINES & CIDERS

SUPPORT SERVICES

AIM

SUPPORT SERVICES - Cont.

AIM - Cont.

TELECOMMUNICATIONS

TEXTILES & APPAREL

TOBACCO

TRANSPORT

WATER

AMERICANS

CANADIANS

SOUTH AFRICANS

GUIDE TO LONDON SHARE SERVICE

Prices for the London Share Service delivered by FT Extel, a member of the Financial Times Group.

Company classifications are based on those used for the FT-SE Actuaries Share Indices.

Closing mid-prices are shown in pence unless otherwise stated. Highs and lows are based on intra-day mid- prices.

Where stocks are denominated in currencies other than sterling, this is indicated after the name.

Symbols referring to dividend dates appear in the notes column daily as a guide to yields and P/E ratios. Dividends and Dividend covers are published on Monday.

Market capitalisation shown is calculated separately for each line of stock quoted.

Earnings used in calculations are based on IMS "Headline Earnings" formula.

Price/earnings ratios are based on latest annual reports and accounts and, where possible, are updated on interim figures.

Yields are based on mid-prices, any gross, adjusted for a dividend tax credit of 20 per cent and allow for value of declared distribution and rights.

Endorsed Net Asset Values (NAV) are shown for Investment Trusts, in pence per share, along with the percentage discounts (Dis) or premiums (Pm +) to the current closing share price. The NAV basis assumes prior charges at par value, capitalises converted and warrants exercised if dilution occurs.

□ Indicates the most actively traded stocks. This includes UK stocks where transactions and prices are published continuously through the Stock Exchange Automated Quotation system (SEAQ) and non-UK stocks through the SEAQ International system.

▲ Highs and lows marked thus have been adjusted to allow for capital changes.

◆ Interim since increased or resumed

◆ Interim since reduced, passed or deferred

◆ Figures or report awaited.

‡ Rule 2.16(a)(v) Overseas incorporated companies listed on an approved exchange.

‡ Free annual/interim report available, see details below.

‡ USM: not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.

‡ Rule 4.2(e) Irish incorporated non-listed companies.

‡ Price at time of suspension.

‡ Indicated dividend yield after pending scrip and/or rights issue.

‡ Merger bid or reorganisation in progress

‡ Forecast dividend yield; p/e based on earnings updated by latest interim statement.

‡ Unregulated collective investment scheme.

a Yield based on annualised dividend
b Figures based on prospectus or other official estimates.
c Assumed dividend yield after rights issue.
d Assumed dividend yield after scrip issue.
e Rights issue pending. Figures based on preliminary figures.
f Dividend yield excludes a special payment.
g Indicated dividend yield, p/e ratio based on latest annual earnings.
h Forecast, or estimated annualised dividend yield, p/e based on previous year's earnings. v P/e ratios are calculated under new ACT guidelines.
z Dividend yield includes a special payment
Y Yield based on prospectus or other official estimates for 1994-95.
q Assumed yield after pending scrip and/or rights issue.
t Yield based on prospectus or other official estimates for 1995.
u Yield based on prospectus or other official estimates for 1994
L Estimated annualised yield, p/e based on latest annual earnings.
M Yield based on prospectus or other official estimates for

1995-96.
8 Forecast annualised yield, p/e based on prospectus or other official estimates.
V Pro forma figures.
Z Dividend yield to date.

Abbreviations:
xd ex dividend;
xc ex scrip issue;
xr ex rights;
xa ex all;
xc ex capital distribution.

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FINANCIAL TIMES
Weekend December 30/December 31 1995

Court seeks answers over $1.2bn derivatives losses

Ex-Barings executives face Singapore summons

By Nicholas Denton in London

Mr Peter Norris and five other former Barings executives have been summoned to appear in a Singapore court to answer questions about the local derivatives operation which lost £830m ($1.2bn) and brought down the UK merchant bank in February.

Meanwhile, John Koh & Co, lawyers for Mr Nick Leeson, the trader at the centre of the collapse, said he would not be filing an appeal against the 6½ year sentence he received earlier this month for "cheating".

The High Court order naming the six is the first legal step taken by Singapore against former Barings executives living outside the city-state. It could lead to arrest warrants being issued if the interviewees do not co-operate voluntarily. However, the investigation is a civil, not a criminal, matter. It is therefore unlikely that the Singapore courts could compel testimony from those of the six who live outside the city-state.

The summons applies to all six directors of Baring Futures Singapore and is seen as a technical step by Price Waterhouse, the liquidators of the local derivatives business. Price Waterhouse is at this stage seeking assistance in recovering lost assets. The move does not in itself signal the imminent Singapore prosecution of former Barings executives.

The six are: Mr Norris, former chief executive, and Mr Roy Johnson, company secretary of Baring Securities, residing in the UK; Mr Mike Killian, head of futures and options sales, in the US; and Mr James Bax, Barings' former Southeast Asia head, Mr Simoo Jones, former chief operating officer for Southeast Asia, and Ms Fu Ya Yin, a local executive, in Singapore.

Earlier this month the liquidators demanded that Mr Stephen Pollard, the UK lawyer for Mr Leeson, give details of book and film deals entered into by his client. They also obtained a court order forcing him to answer questions about BFS; it is expected he will be interviewed early in the new year.

The liquidators are examining the possibility that associates of Mr Leeson benefited from Barings' losses. But there is no suggestion that any of the six BFS directors were involved, nor is a substantial recovery of funds expected.

The liquidators – Mr Nicky Tan of Price Waterhouse, and Mr Sundaresh Menon, his legal counsel – will be continuing the investigation they began in their other capacity as inspectors into the Barings affair.

Although Mr Tan and Mr Menon have already interviewed Mr Norris three times, Mr Leeson's account is likely to result in new questions. The Singapore inspectors, in their official report into the Barings collapse, said Mr Norris and Mr Bax helped Mr Leeson cover up accounting discrepancies arising from his losses.

Singapore's commercial affairs department, which prosecutes financial crime, has been investigating the inspectors' claims. It is believed that the Singapore authorities will in the new year press charges against Mr Bax.

A remarkable comeback, Page 6

Taiwan in move to impeach central bank chief

By Peter Hamsen in Taipei

Taiwanese authorities yesterday moved to impeach Mr Shen Yuan-dong, the governor of the central bank, over his alleged role in a financial scandal which has implicated executives at leading banks.

Mr Shen, who heads what is known as the Central Bank of China, refused to resign after an impeachment ruling yesterday by the Control Yuan, a powerful watchdog body, which held him responsible for the scandal.

The impeachment decision, which will be referred to a body of judicial review, follows an investigation into Mr Shen's conduct as chairman of the state-owned Bank of Taiwan before his appointment as central bank governor in March this year.

The Bank of Taiwan has been closely linked to a case involving the International Bills Finance Corporation, a commercial paper issuer. In August, an IBF trader was arrested on charges that he raised T$10bn ($367.6m) to invest in stocks by issuing fake promissory notes.

The IBF episode, also blamed for the suicide of a senior manager at the company, raised questions about supervision at the Bank of Taiwan, which had provided the charged trader with funds.

It also followed a series of runs at small banks and credit unions, which had prompted sharp falls in Taiwanese stock prices.

However, share prices ended 1 per cent higher yesterday, with the rise attributed to widespread expectations that the central bank would reduce official interest rates ahead of the new year holidays.

According to officials in the Control Yuan, which voted by eight to two for impeachment, Mr Shen, who denies any wrong-doing, was held responsible for failures in his supervision of the Bank of Taiwan's operations.

"When he was Bank of Taiwan chairman, he had control over the bank. But he failed to make good judgment in personnel. He should take responsibility for negligence," an official said.

The action against Mr Shen follows complaints this week by Mr Lien Chan, Taiwan's premier, about what he described as the lenient treatment of corrupt officials in the banking and securities industry.

"Our punishments [for] financial crimes are generally lighter than those in other countries, making our country a hotbed for financial crimes," Mr Lien told a cabinet meeting on Thursday.

The controversy is out of character for Taiwan's central bank, which is generally regarded as highly conservative, although it has been accused by opposition legislators of assisting the ruling Nationalists by timing interest rate cuts to suit its election needs.

THE LEX COLUMN

Folies financières

Mr André Lévy-Lang, the Paribas chairman being investigated in connection with an inquiry into false accounting, is in good company. A host of senior French businessmen, including executives from Alcatel Alsthom, Saint Gobain and Bouygues have fallen foul of the country's judiciary this year.

Still, the incident in question – the 1992 sale by Paribas of a controlling stake in cement producer Ciments Français, which turned out to have been making losses rather than profits – does not reflect well on the group. The fact that Paribas underwrote Ciments Français' next rights issue and still holds a 30 per cent stake in the cement company suggests the French banking group was simply unaware of the goings-on at Ciments Français rather than a party to them. But that is hardly reassuring for shareholders in Paribas, since the bank still manages a large portfolio of industrial interests.

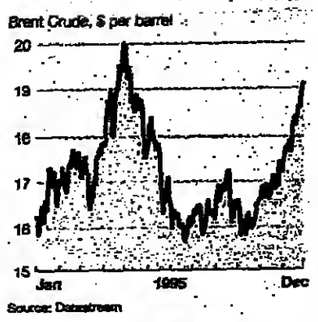
Oil

The oil price may have bounced in recent months, but has done nothing to shake the market's pessimism about the longer term. The spot Brent price has climbed towards $19 a barrel, but the market – looking for a price nearer $16 by the end of 1996 – rightly thinks this is just a blip. Companies have sharply cut their inventory holdings in 1995, so the price was bound to be vulnerable to a short-term squeeze – in this case, demand boosted by unexpectedly cold weather and supply hit by a series of unexpected interruptions. But none of this is more than a short-term phenomenon. And if lower inventories persist, they will mean greater price volatility in both directions – down as well as up.

The main justification for longer term gloom is that the power of the Organisation of Petroleum Exporting Countries to prop up prices has been greatly weakened. Any attempt by Opec to push prices up would exacerbate its difficulties in enforcing its own production quotas. Ultimately it would simply accelerate the growth of non-Opec exploration and production.

Much does still hang, though, on the behaviour of the world's largest oil exporter, Saudi Arabia. The poor health of King Fahd and doubts over political stability have prompted fears that Saudi oil production may at some point be cut, which would drive the oil price up sharply. But a new Saudi government could just as easily try to force prices into free-fall, to regain power over the market. In reality, either outcome would probably hit the country's badly-needed oil revenues – which means neither is likely.

FT-SE Eurotrack 200: 1600.6 (+2.9)



Source: Datastream

UK new issues

This may have been the year of the big deal, but it was also the year the new issues market dwindled into insignificance. Only £2.6bn of initial public offerings were launched, 74 per cent down on 1994. The reasons are clear. Institutions became more choosy after selecting some rotten apples from the previous year's crop – such as MDIS, which ended 1995 with its third profits warning of the year. Smaller capitalised companies were out of favour, with the FT-SE Small-Cap index underperforming the FT-SE 100 index by 16 per cent since June 1994. Moreover, companies have been under less pressure to float, given the rising prices paid by venture capitalists and easy access to cheap bank finance.

Nonetheless, the prospects for 1996 are favourable. Expectations for the FT-SE 100 index are subdued, increasing the focus on smaller stocks. There have been some strong performances from recent flotations, such as Victrex and CMG. And from next week, companies will be able to float without the costly obligation of offering shares to the public. Some big names are being prepared for flotation, from Orange, the mobile phone group, to hotel group Mount Charlotte. High-technology and biotechnology stocks have had a good run, which is bound to encourage flotations from those sectors. And investors should be able to gain some comfort from the performance of issues like MDIS. Institutions have threatened to blacklist brokerages involved in the worst offending new issues, which should help raise the quality threshold.

Aim

For a junior market, dealing with tiddler stocks, the Alternative Investment Market has grown up fast. Six months after launch it boasts more than 120 companies and a total market capitalisation of £2.2bn and has outperformed the wider stock market by 25 per cent.

Growing transaction volumes suggest institutional shareholders are overcoming their initial scepticism. The early constituents offered few investment opportunities since they were simply transferring from the Rule 4.2 matched bargain market. More recently Aim has attracted a series of new entrants raising fresh money; Pet City, a pet store chain, has led the way with a £20m issue. Institutional interest should be given further fillips with the start of an official Aim index in March and the launch of a second £20m investment trust specialising in Aim companies. As institutional involvement increases, volumes and liquidity will improve, which should create a virtuous circle. The market will also be underpinned during 1996 as companies move over from the unlisted securities market, which closes at the end of the year.

But Aim has yet to face a real challenge. So far it has benefited from a bullish period for shares generally. A market downturn would expose the lack of liquidity in many of the stocks. Nor has it had to deal with a severe profits warning or corporate collapse, something that will happen at some stage given the high number of blue-sky companies among its constituents. That will refocus attention on the low listing requirements and the reduced role of nominated advisers who have taken the place of the merchant banks that sponsor new issues on the main market. Transparency on Aim could also be improved. Currently, marketmakers do not have to register share trades until five days after they have been executed. Another worry is that tax breaks for Aim investors are turning out to be much less generous than the government promised – with many companies unable to qualify for capital gains tax relief. But on balance, Aim looks set for a promising future.

Paribas chief faces probe

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would not have agreed to defer payment, retain a stake in Ciments or to indemnify the company's liabilities if it had been aware of the false accounting. It refused to make any formal comment on the latest developments.

Mr Pierre Conso, the former head of Ciments, was placed under formal investigation by Judge Joly in 1993 in relation to the case for false accounting, circulation of false information and illegal loans. He was also fined FFr400,000 by the COB, the French markets watchdog, in the same year.

Since then, Judge Joly has extended her investigations, placing under investigation three Paribas executives who sat on the Ciments board, auditors in two firms, and a number of other Ciments executives.

The latest action comes a week after Mr Martin Bouygues, head of Bouygues, the large French construction group, was placed under formal investigation in corruption-related allegations.

German group warns of losses from PC price war

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price war has put profit margins under intense pressure, plunged a number of previously profitable companies into loss and prompted renewed speculation about an industry shake-out.

On December 15, Apple Computer of the US warned it was heading for a loss in the current quarter. The announcement led to a sharp decline in its share price and fresh speculation about whether it could retain its independence. The company blamed price competition in US and Japanese markets for shrinking margins and missed revenue targets.

And on December 22, Samsung, the South Korean electronics group, disclosed that it was taking boardroom control of AST Research, the struggling US personal computer manufacturer, as part of a deal under which it will double AST's bank credit line to $200m.

In Europe, the market outside Germany is dominated by US vendors and few indigenous PC manufacturers are making money. Olivetti, the Italian information technology group, has warned that its troubled PC business would be closed unless it achieved break-even by the end of 1996.

Escom has grown rapidly through a combination of aggressive pricing and an international expansion programme which included the acquisition of more than 200 Rumbelows stores in Britain earlier this year.

The German group acknowledged yesterday that the costs of expanding its retail network, particularly in the UK, were a factor in its weak results. However, Escom insisted that the new British outlets would make a "considerable contribution to profits" in 1996.

Escom, which is majority owned by its founder Mr Manfred Schmitt, said it had now finished its European expansion programme, which boosted the number of outlets to 455 at the end of the year.

Tokyo official quits over finance crisis

Continued from Page 1

markets," said Mr Robert Feldman, director of economic research at Salomon Brothers Asia.

During Mr Shinozawa's tenure, the formerly uncommunicative ministry has issued more detail on policies, such as the extent of public support available for banks and tougher disclosure rules in the wake of the Daiwa disaster. He will be replaced by Mr Tadashi Ogawa, director of the national tax administration agency.

The resignation does, however, mark another step in the shift of power from bureaucrats to politicians, shown by the recent elections of an aggressive new generation of leaders including Mr Ryutaro Hashimoto, to president of the LDP in September.

Mr Shinozawa's predecessor, Mr Jiro Saito, had to resign two months early last May. This was ostensibly to show penance for junior officials' acceptance of lavish hospitality from a property developer now facing fraud charges over the collapse of two credit unions, whose depositors had to be bailed out by the government.

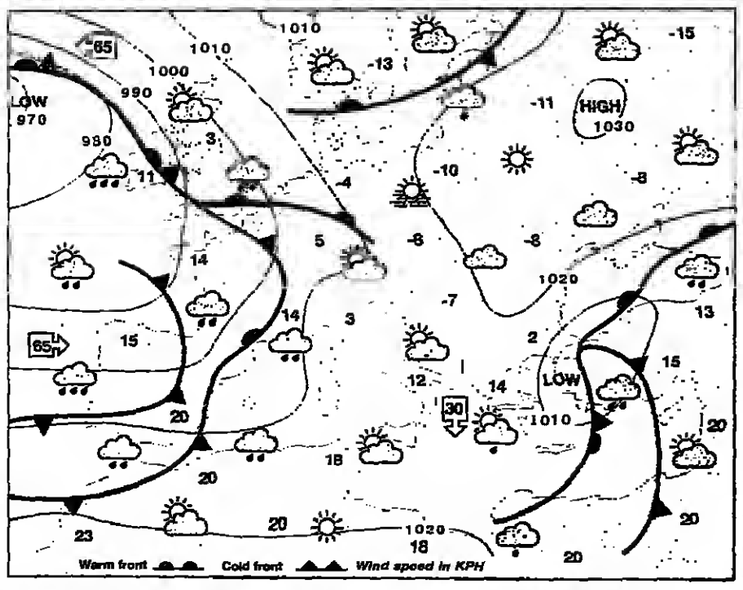
FT WEATHER GUIDE

Europe today

Widespread rain is expected over France as mild maritime air is drawn into the continent. In northern France and Belgium, the rain will be preceded by snow and freezing rain. The day will start sunny in the Netherlands and central and northern Germany but snow will arrive from the south tonight. Southern Scandinavia will have patchy snow and there will be showers along the Norwegian coast. The milder air will slowly move north into the UK, giving rain and sleet in southern England. Northern Ireland, Wales, the Midlands and East Anglia will have outbreaks of snow with strong winds. Scotland will remain dry and cold with snow flurries only in the north. Central and eastern Europe will be mainly dry and cold. Southern Europe will continue unsettled.

Five-day forecast

The milder Atlantic air will continue to force its way north, but will probably stall along a line from Scotland to northern Germany and the Black Sea. High pressure over Russia containing very cold air will block the progress of the warmer air. Several low pressure systems will bring frequent and abundant rain to the Mediterranean, especially to Portugal, Greece and Turkey.



Situation at 12 GMT. Temperatures maximum for day. Forecasts by Meteo Consult of the Netherlands

TODAY'S TEMPERATURES

	Maximum Celsius															
		Beijing	sun	9	Caracas	cloudy	30	Faro	rain	19	Madrid	shower	13	Rangoon	fair	31
		Belfast	snow	1	Cardiff	sleet	-4	Frankfurt	snow	-3	Majorca	shower	18	Reykjavik	fair	-1
Abu Dhabi	fair	22	Belgrade	cloudy	-1	Casablanca	rain	20	Geneva	rain	5	Malta	cloudy	18	Rio	shower	30
Accra	fair	31	Berlin	sun	-6	Chicago	fair	1	Gibraltar	rain	19	Manchester	snow	0	Rome	cloudy	12
Algiers	shower	21	Bermuda	shower	15	Cologne	snow	-1	Glasgow	fair	-3	Manila	shower	30	S. Frisco	fair	16
Amsterdam	cloudy	-2	Bogota	fair	18	Dakar	fair	31	Hamburg	fair	-6	Melbourne	cloudy	20	Seoul	fair	2
Athens	fair	14	Bombay	fair	33	Dallas	shower	11	Helsinki	fair	-8	Mexico City	fair	22	Singapore	rain	28
Atlanta	fair	11	Brussels	snow	1	Delhi	cloudy	22	Hong Kong	fair	20	Miami	fair	24	Stockholm	cloudy	-6
B. Aires	fair	28	Budapest	cloudy	-5	Dubai	sun	21	Honolulu	fair	28	Milan	rain	4	Strasbourg	sleet	2
B.ham	snow	0	C.hagen	fair	-4	Dublin	sleet	4	Istanbul	rain	9	Montreal	fair	-4	Sydney	rain	25
Bangkok	fair	28	Cairo	cloudy	20	Dubrovnik	cloudy	10	Jakarta	shower	32	Moscow	fair	-14	Tangier	rain	18
Barcelona	shower	14	Cape Town	fair	26	Edinburgh	cloudy	-1	Jersey	rain	6	Munich	snow	-3	Tel Aviv	fair	22
									Karachi	fair	26	Nairobi	fair	25	Tokyo	fair	7
									Kuwait	sun	18	Naples	cloudy	11	Toronto	fair	-1
									L. Angeles	fair	20	Nassau	fair	23	Vancouver	rain	6
									Las Palmas	fair	24	New York	sun	6	Venice	cloudy	3
									Lima	fair	25	Nice	rain	11	Vienna	fair	-6
									Lisbon	rain	17	Nicosia	shower	18	Warsaw	sun	-12
									London	sleet	4	Oslo	fair	-10	Washington	sun	9
									Luxbourg	snow	1	Paris	rain	8	Wellington	cloudy	19
									Lyon	rain	9	Perth	fair	26	Winnipeg	fair	-9
									Madeira	shower	22	Prague	fair	-6	Zurich	snow	1